

Rubin & Hays

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CHARLES S. MUSSON
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CHRISTIAN L. JUCKETT

PARALEGAL
MARY M. EMBRY

RECEIVED

NOV 07 2005

November 7, 2005

PUBLIC SERVICE
COMMISSION

Ms. Susan Hutcherson
Docket Branch
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Re: Wood Creek Water District - PSC KRS 278.023 Case - 2005-00453

Dear Susan:

Enclosed please find two (2) original Preliminary and Final Engineering Reports relating to the Wood Creek Water District Public Service Commission Application.

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By 
W. Randall Jones

WRJ:jl
Enclosures

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NOV 09 2005

PUBLIC SERVICE
COMMISSION



KENVIRONS

FINAL ENGINEERING REPORT

FOR

WOOD CREEK WATER DISTRICT

20-INCH RAW WATER PIPELINE AND
24-INCH TRANSMISSION PIPELINE

Case No. 2005-00453

Prepared By:

**KENVIRONS, INC.
452 VERSAILLES ROAD
FRANKFORT, KENTUCKY 40601**

PROJECT NO. 2000104

JUNE 16, 2005



Kenvirons, Inc.

Civil & Environmental Engineering and Laboratory Services

FINAL ENGINEERING REPORT

FOR

WOOD CREEK WATER DISTRICT

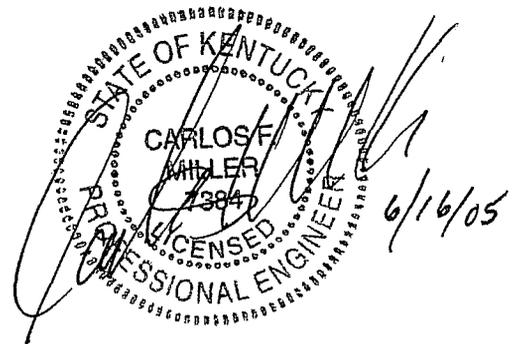
**20-INCH RAW WATER PIPELINE AND
24-INCH TRANSMISSION PIPELINE**

Prepared By:

**KENVIRONS, INC.
452 VERSAILLES ROAD
FRANKFORT, KENTUCKY 40601**

PROJECT NO. 2000104

JUNE 16, 2005



A Preliminary Engineering Report dated March 2004 describes this project in detail and is included herewith by reference.

Bids were received on June 9, 2005 for Contract 2 – 20-Inch Raw Water Line and 24-Inch Transmission Line. Nine (9) bids were received. A Certified bid tabulation is included in this report.

Clay Pipeline, Inc. located in Manchester, Kentucky submitted the low bid. The bid was submitted as follows:

Base Project	\$2,236,394.00
Add Alternate	<u>991,200.00</u>
TOTAL	\$3,227,594.00

The initial engineers estimate for the construction of the pipeline work was \$2,100,000.00. A cost breakdown for this portion of the project is as follows:

Construction (Base Project Only)	\$2,236,394.00
Engineering Design @ 7.55%	168,848.00
Construction Inspection @ 4.46%	99,743.00
Contingency	<u>200,000.00</u>
TOTAL PROJECT COST	\$2,704,985.00

The recommended project funding is as follows:

EDA Grant	\$1,199,000.00
State Grant	500,000.00
Water District Contribution	<u>1,006,000.00</u>
TOTAL	\$2,705,000.00

Recommendations

The low Bidder, Clay Pipeline, Inc. has performed the construction on past projects for Kenvirons, Inc. and Wood Creek Water District. It is recommended to award the contract to Clay Pipeline, Inc. in the amount of \$2,236,394.00.

KENVIRONS, INC.
 452 VERSAILLES ROAD
 FRANKFORT, KENTUCKY 40601
 TEL (502) 695-4357
 FAX (502) 695-4363

BID TABULATIONS
 PROJECT: Contract 2 - Wood Creek Water District
 LOCATION: 24-Inch Transmission Pipeline and 20-Inch Raw Water Pipeline
 BID DATE: June 9, 2005 until 2:00 p.m. (local time)

SHEET 2 OF 2

ITEM NO	ITEM DESCRIPTION	UNIT	QUANTITY	Anderson Contracting, Inc. 2398 N. Highway 25W Williamsburg, Kentucky 40769		Reynolds, Inc. 4520 N. State Road 37 Orleans, Indiana 47452		C.J. Hughes Construction Co., Inc. 75 West 3rd Ave Huntington, West Virginia 25776	
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
I	RAW WATER PIPELINE								
1	20-Inch DI Pipe, CL250 Push-On Joint with Locking Gaskets	LF	1,480	\$113.48	\$167,950.40	\$79.00	\$116,920.00	\$88.00	\$130,240.00
2	Bore & Encasement for 20" Pipe	LF	20	378.70	7,574.00	500.00	10,000.00	585.00	11,700.00
3	Intake Road Reconstruction	LF	1,350	31.41	42,403.50	65.00	87,750.00	31.00	41,850.00
4	Raw Water Pipe Tie-In at Raw Water Intake	LS	1	6,167.37	6,167.37	20,000.00	20,000.00	7,000.00	7,000.00
5	Concrete Junction Box	EA	6	2,014.15	12,084.90	2,000.00	12,000.00	1,750.00	10,500.00
6	3/4-Inch HDPE Pipe, SDR 7	LF	5,920	1.06	6,275.20	1.00	5,920.00	1.31	7,755.20
7	3-Inch Schedule 80 PVC Pipe	LF	2,960	3.35	9,916.00	4.00	11,840.00	5.00	14,800.00
II	24" TRANSMISSION PIPELINE				0.00		0.00		0.00
5	24-Inch DI Pipe, CL250, Push-On Joint	LF	23,000	80.75	1,857,250.00	79.00	1,817,000.00	80.00	1,840,000.00
6	24-Inch MJ Gate Valve with Bevel Gear Operate	EA	8	14,744.42	117,955.36	15,000.00	120,000.00	16,500.00	132,000.00
7	Bore & Encasement for 24" Pipe	LF	130	316.71	41,172.30	430.00	55,900.00	475.00	61,750.00
8	Open Cut & Encasement for 24" Pipe	LF	60	116.18	6,970.80	150.00	9,000.00	262.00	15,720.00
9	Pavement Restoration				0.00		0.00		0.00
9.1	Crushed Stone	LF	3,200	2.94	9,408.00	14.00	44,800.00	5.00	16,000.00
9.2	Light Duty Bituminous	LF	200	10.73	2,146.00	27.00	5,400.00	10.00	2,000.00
9.3	Heavy Duty Bituminous	LF	100	43.43	4,343.00	30.00	3,000.00	18.00	1,800.00
9.4	Concrete	LF	100	20.94	2,094.00	50.00	5,000.00	36.00	3,600.00
10	Tie-In to 20" DI at US 25	LS	1	23,064.06	23,064.06	10,000.00	10,000.00	26,500.00	26,500.00
11	KY 490E Tie-In	LS	1	5,430.56	5,430.56	12,400.00	12,400.00	13,000.00	13,000.00
12	24" x 6" Stub-Out	EA	7	2,660.47	18,623.29	2,500.00	17,500.00	3,500.00	24,500.00
13	1-75 Bore & Case for 24" DI	LF	350	471.19	164,916.50	425.00	148,750.00	570.00	199,500.00
14	6" Custom Combination Air Release Valve	EA	2	6,131.33	12,262.66	8,600.00	17,200.00	5,200.00	10,400.00
15	CSX Railroad Crossing	LS	1	38,643.45	38,643.45	30,000.00	30,000.00	40,000.00	40,000.00
16	Final Pipeline Cleanup	LF	23,000	1.50	34,500.00	1.50	34,500.00	1.50	34,500.00
17	Transmission Pipe Tie-In at WTP	LS	1	14,710.90	14,710.90	15,000.00	15,000.00	16,000.00	16,000.00
18	Concrete Thrust Collar	EA	1	2,054.29	2,054.29	800.00	800.00	2,000.00	2,000.00
19	Locking Gasket for DI Push-On Pipe	EA	50	493.92	24,696.00	480.00	24,000.00	750.00	37,500.00
	TOTAL BASE PROJECT				* \$2,632,612.54		\$2,634,680.00		\$2,700,615.20
5	24-Inch DI Pipe, CL250, Push-On Joint	LF	13,000	80.75	1,049,750.00	79.00	1,027,000.00	80.00	1,040,000.00
6	24-Inch MJ Gate Valve with Bevel Gear Operate	EA	4	14,744.42	58,977.68	15,000.00	60,000.00	16,500.00	66,000.00
7	Bore & Encasement for 24" Pipe	LF	150	316.71	47,506.50	430.00	64,500.00	475.00	71,250.00
9	Pavement Restoration				0.00		0.00		0.00
9.1	Crushed Stone	LF	1,300	2.94	3,822.00	14.00	18,200.00	5.00	6,500.00
9.2	Light Duty Bituminous	LF	20	10.73	214.60	27.00	540.00	10.00	200.00
9.3	Heavy Duty Bituminous	LF	10	20.94	209.40	50.00	500.00	36.00	360.00
9.4	Concrete	LF	10	20.94	209.40	50.00	500.00	36.00	360.00
12	24" x 6" Stub-Out	EA	5	2,660.47	13,302.35	2,500.00	12,500.00	3,500.00	17,500.00
16	Final Pipeline Cleanup	LF	13,000	1.50	19,500.00	1.50	19,500.00	1.50	19,500.00
	ADDITIVE ALTERNATE				\$1,193,282.53		\$1,202,740.00		\$1,221,310.00
	TOTAL BASE BID				* \$3,825,895.07		\$3,837,420.00		* \$3,921,925.20

* DENOTES AN ARITHMETIC ERROR WAS MADE ON BASE BID. AMOUNT HAS BEEN CORRECTED TO REFLECT UNIT PRICE SUBMITTED ON BASE BID.
 THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 2:00 P.M., LOCAL TIME, THURSDAY, JUNE 9, 2005 AT THE WOOD CREEK WATER DISTRICT.

RECEIVED
NOV 09 2005
PUBLIC SERVICE
COMMISSION



FINAL ENGINEERING REPORT
FOR
WOOD CREEK WATER DISTRICT
WATER TREATMENT PLANT EXPANSION AND
IMPROVEMENTS

Case No. 2005-00453

PROJECT No. 2000104

SEPTEMBER, 2005



Kenvirons, Inc.

Civil & Environmental Engineering and Laboratory Services

FINAL ENGINEERING REPORT
FOR
WOOD CREEK WATER DISTRICT
WATER TREATMENT PLANT EXPANSION AND
IMPROVEMENTS

PROJECT No. 2000104

SEPTEMBER, 2005



A Preliminary Engineering Report dated March, 2004 describes this project in detail and is included herewith by reference.

Bids were received on August 25, 2005 for Contract 1 – Water Treatment Plant Expansion. Two (2) bids were received. A certified bid tabulation is included in this report.

Judy Construction, Inc. in Cynthiana, Kentucky submitted the low bid. There were four (4) deductive alternates. The decision was made to include Deductive Alternates Nos. 1, 3 and 4 and delete Deductive Alternate No. 2. The resultant bid amount for the contract is as follows:

Complete Project Bid	\$10,785,900
Deductive Alternate No. 2	<u>180,000</u>
Project Bid minus Deductive Alternate No. 2	\$10,605,900

The initial budget amount for this Contract was \$6,146,000 with a project budget of \$10,000,000. The low bid was \$10,605,900. A revised budget is contained in Exhibit 1, which shows a project budget of \$15,080,000. The difference between the revised and initial budgets is \$5,080,000. This difference is proposed to be covered with a state grant and KRWA loan of \$750,000 and \$3,605,000 respectively along with an increase in the Rural Development loan amount of \$725,000. A revised budget is shown in Exhibit No. 1.

The water rates have been adjusted from those contained in the Preliminary Engineering Project and the Rural Development Letter of Conditions to cover the expense of the increased borrowing. A summary of the revised rates is contained in Exhibit No. 2. Revised pages in the Rural Development Summary / Addendum showing the recommended rates are included herewith.

Recommendations

Judy Construction, Inc. is one of the premier water plant contractors. It is hereby recommended to award Contract 1 – Water Treatment Plant Expansion to Judy Construction, Inc. in the amount of \$10,605,900 contingent on securing the additional funding and enacting the rate adjustment as contained in this report.

It is further recommended to proceed with the application to the Public Service Commission for the certificate to construct and approval of rates.

EXHIBIT 1

WOOD CREEK WATER DISTRICT PROJECT SUMMARY

1. PROJECT COST

	<u>INITIAL BUDGET</u>	<u>REVISED BUDGET</u>
Development		
Transmission Mains	\$ 2,100,000	\$ 2,236,394
Water Treatment Plant	6,146,000	10,605,900
	<hr/>	<hr/>
	8,246,000	12,842,294
Land and Rights	10,000	---
Legal & Administrative	48,000	74,750
Engineering	791,300	1,179,200
Interest	100,000	200,000
KRWA Bond Issuance Cost	---	142,000
Contingencies	804,700	641,756
	<hr/>	<hr/>
	\$ 10,000,000	\$ 15,080,000

2. PROJECT FUNDING

Rural Development Loan	\$ 7,250,000	\$ 7,975,000
Rural Development Grant	1,000,000	1,000,000
ARC Grant	500,000	500,000
EDA Grant	1,199,000	1,199,000
Local Contribution	51,000	51,000
State Grant	---	750,000
KRWA Loan	---	3,605,000
	<hr/>	<hr/>
KRWA Loan	\$ 10,000,000	\$ 15,080,000

EXHIBIT 2

SUMMARY OF RATES

<u>5/8" x 3/4" Meter</u>	<u>Existing</u>	<u>Proposed</u>
First 2,000 gallons	\$ 9.48 (Minimum Bill)	\$ 16.43 (Minimum Bill)
Next 1,500 gallons	3.02 per 1,000 gallons	5.23 per 1,000 gallons
Next 1,500 gallons	2.69 per 1,000 gallons	4.66 per 1,000 gallons
Next 2,500 gallons	2.26 per 1,000 gallons	3.92 per 1,000 gallons
Over 7,500 gallons	1.78 per 1,000 gallons	3.09 per 1,000 gallons
<u>1" Meter</u>		
First 5,000 gallons	\$ 18.05 (Minimum Bill)	\$ 31.26 (Minimum Bill)
Next 2,500 gallons	2.26 per 1,000 gallons	3.92 per 1,000 gallons
Over 7,500 gallons	1.78 per 1,000 gallons	3.09 per 1,000 gallons
<u>1 1/2" Meter</u>		
First 10,000 gallons	\$ 28.15 (Minimum Bill)	\$ 48.78 (Minimum Bill)
Over 10,000 gallons	1.78 per 1,000 gallons	3.09 per 1,000 gallons
<u>2" Meter</u>		
First 20,000 gallons	\$ 45.95 (Minimum Bill)	\$ 79.68 (Minimum Bill)
Over 20,000 gallons	1.78 per 1,000 gallons	3.09 per 1,000 gallons
<u>3" Meter</u>		
First 30,000 gallons	\$ 63.75 (Minimum Bill)	\$ 110.58 (Minimum Bill)
Over 30,000 gallons	1.78 per 1,000 gallons	3.09 per 1,000 gallons
<u>6" Meter</u>		
First 100,000 gallons	\$ 188.35 (Minimum Bill)	\$ 326.88 (Minimum Bill)
Over 100,000 gallons	1.78 per 1,000 gallons	3.09 per 1,000 gallons
Wholesale Rate	1.24 per 1,000 gallons	2.32 per 1,000 gallons

**REVISED EXHIBIT 8
WATER TREATMENT EXPENSE
AND
WHOLESALE RATE**

1. <u>WTP EXPENSES</u>	<u>ALLOCATION</u>	<u>ALLOCATED</u>
	<u>FACTOR</u>	<u>COST</u>
1.1 Existing		
BOND		
<u>ISSUE</u>	<u>INITIAL</u>	
1985	\$760,000 @ 5%	\$44,150
1992	1,456,000 @ 5%	83,515
2001	<u>1,711,000 @ 4.75%</u>	<u>95,800</u>
	\$3,927,000	\$223,465
Depreciation (Exhibit 7, PLR)		\$176,798
Debt Service Coverage: \$223,465 x 0.10		22,346
WTP Operation & Maintenance ⁽¹⁾		1,004,341
1.2 Proposed Project		
Debt Service (Ex. 8A, Item 1)		\$559,365
Coverage (Ex. 8A, Item 3)		75,306
Depreciation (Ex. 8A, Item 2)		<u>265,187</u>
TOTAL WTP EXPENSES		\$2,326,808
	0.6515	\$1,515,915
2. <u>TRANSMISSION AND DISTRIBUTION</u>		
2.1 Existing		
O & M Expense ⁽²⁾		\$286,233
Depreciation Expense (Exhibit 7, PLR)		236,475
2.2 Proposed Project		
Debt Service (Ex. 8A, Item 1)		117,832
Coverage (Ex. 8A, Item 3)		15,864
Depreciation (Ex. 8A, Item 2)		<u>55,863</u>
TOTAL T & D EXPENSE		\$712,267
	0.2378	169,377
TOTAL PROJECTED EXPENSES		\$3,039,075
		\$1,685,292

$$\text{Wholesale Rate} = \frac{1,685,292}{723,864 \text{ MG}} = 2.32 \text{ per 1,000 gallons}$$

(1) Total WTP Expense = \$1,012,261 (Exhibit 4) - \$1,624 (Hwy. 490 P.S. Power) - \$6,296 (Added Cust.) = \$1,004,341

(2) Total T & D in Annual Report (2002)		\$508,672
Adjustment on Pg. 10	\$683,458	
Included in this amount is Depreciation		
Of \$78,568 (vehicles, etc.) this	(-) 78,568	
Cost covered elsewhere		
EL & WL Expenses	\$604,890	
Deduct Customer Accts. & A&G	318,864	
Per W.C. Account		
		<u>(-) 286,026</u>
Wood Creek Only T & D		\$222,646
Proposed Pipelines: 129 inch-miles x \$100/inch-mile		<u>12,900</u>
		\$235,546 + \$28,257 (Infl.) + \$22,430 (Ins.) = \$286,233

REVISED EXHIBIT 8-A
PROPOSED PROJECT EXPENSES

1. PROPOSED PROJECT DEBT SERVICE

Rural Development Loan: \$7,975,000 @ 4.5% for 38 yrs.
 $\$7,975,000 \times 0.05551 = \$442,692$

KRWA Loan: \$3,605,000 @ 5% for 30 yrs.
 $\$3,605,000 \times 0.06505 = \$234,505$

Total Proposed Debt Service = \$677,197

Transmission Lines Cost	\$2,236,394	17.4%
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WTP Cost	<u>10,605,900</u>	<u>82.6%</u>
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	\$12,842,294	100.0%
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1.1 Transmission Lines: $\$677,197 \times 0.174 = \$117,832$

WTP: $\$677,197 \times 0.826 = \$559,365$

2. PROPOSED PROJECT DEPRECIATION

Transmission: $\$321,050 \times 0.174 = \$55,863$
 $\$321,050 \times 0.826 = \$265,187$

3. PROPOSED PROJECT DEBT SERVICE COVERAGE

RD Loan: $\$442,692 \times 0.10 = \$44,269$

KRWA Loan: $\$234,505 \times 0.20 = \underline{46,901}$

Total Coverage $\$91,170$

Transmission Lines: $\$91,170 \times 0.174 = \$15,864$

WTP: $\$91,170 \times 0.826 = \$75,306$

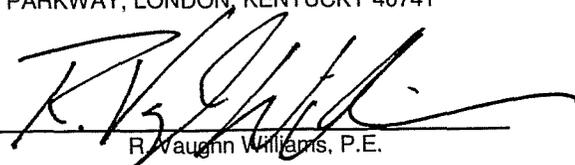
KENVIRONS, INC
 452 VERSAILLES ROAD
 FRANKFORT, KENTUCKY 40601
 TEL (502) 695-4357
 FAX (502) 695-4363

BID TABULATIONS

PROJECT: Wood Creek Water District, Water Treatment Plant Improvements
 LOCATION: Laurel County, Kentucky
 BID DATE: 8/25/2005; 2:00 p.m. Local Time

Item Description	Judy Construction Co. 103 South Church Street Cynthiana, KY 41031		W. Rogers Company P.O. Box 11640 Lexington, KY 40576	
	Lump Sum Bid	Unit Prices Bid	Lump Sum Bid	Unit Prices Bid
Complete Project, Lump Sum Bid	\$ 10,785,900.00		\$ 11,548,000.00	
Deductive Alternative No. 1 - UV Disinfection Equipment	\$ 280,000.00		\$ 310,000.00	
Deductive Alternative No. 2 - Liner System for the Existing 1,000,000 Gallon Clearwell	\$ 180,000.00		\$ 175,000.00	
Deductive Alternative No. 3 - Demolition of the Existing Clearwells, Valve Vaults, and Storage Building	\$ 7,200.00		\$ 10,000.00	
Deductive Alternative No. 4 - Proposed 800,000 Gallon Clearwell	\$ 499,000.00		\$ 460,000.00	
Crushed Stone Structural Fill, (Ton)		\$ 13.50		\$ 12.00

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 2:00 P.M., LOCAL TIME, THURSDAY AUGUST 25, 2005 AT THE WOOD CREEK WATER DISTRICT OFFICE, 1670 HAL ROGERS PARKWAY, LONDON, KENTUCKY 40741

By: 
 R. Vaughn Williams, P.E.

8/26/05
 Date

**RURAL DEVELOPMENT SUMMARY/ADDENDUM
REVISED PAGES**

XXII. WATER RATES - PROPOSED

A. Proposed Rate Schedule Without RUS Grant: 5/8" x 3/4" Meter

First	<u>2,000</u>	Gallons @	\$	<u>16.80</u>	Minimum.
Next	<u>1,500</u>	Gallons @	\$	<u>5.41</u>	per 1,000 Gallons.
Next	<u>1,500</u>	Gallons @	\$	<u>4.84</u>	per 1,000 Gallons.
Next	<u>2,500</u>	Gallons @	\$	<u>4.10</u>	per 1,000 Gallons.
Next	<u></u>	Gallons @	\$	<u></u>	per 1,000 Gallons.
Next	<u></u>	Gallons @	\$	<u></u>	per 1,000 Gallons.
All Over	<u>7,500</u>	Gallons @	\$	<u>3.27</u>	per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

B. Recommended Rate Schedule with RUS Grant: 5/8" x 3/4" Meter

First	<u>2,000</u>	Gallons @	\$	<u>16.43</u>	Minimum.
Next	<u>1,500</u>	Gallons @	\$	<u>5.23</u>	per 1,000 Gallons.
Next	<u>1,500</u>	Gallons @	\$	<u>4.66</u>	per 1,000 Gallons.
Next	<u>2,500</u>	Gallons @	\$	<u>3.92</u>	per 1,000 Gallons.
Next	<u></u>	Gallons @	\$	<u></u>	per 1,000 Gallons.
Next	<u></u>	Gallons @	\$	<u></u>	per 1,000 Gallons.
All Over	<u>7,500</u>	Gallons @	\$	<u>3.09</u>	per 1,000 Gallons.

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

A. Proposed Rate Schedule Without RUS Grant: 1" Meter

First	<u>5,000</u>	Gallons @	<u>\$ 32.18</u>	Minimum.
Next	<u>2,500</u>	Gallons @	<u>\$ 4.10</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>7,500</u>	Gallons @	<u>\$ 3.27</u>	per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

B. Recommended Rate Schedule with RUS Grant: 1" Meter

First	<u>5,000</u>	Gallons @	<u>\$ 31.26</u>	Minimum.
Next	<u>2,500</u>	Gallons @	<u>\$ 3.92</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>7,500</u>	Gallons @	<u>\$ 3.09</u>	per 1,000 Gallons.

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

B. Proposed Rate Schedule Without RUS Grant: 1 1/2" Meter

First	<u>10,000</u>	Gallons @	<u>\$ 50.60</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>10,000</u>	Gallons @	<u>\$ 3.27</u>	per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

C. Recommended Rate Schedule with RUS Grant: 1 1/2" Meter

First	<u>10,000</u>	Gallons @	<u>\$ 48.78</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>10,000</u>	Gallons @	<u>\$ 3.09</u>	per 1,000 Gallons.

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

C. Proposed Rate Schedule Without RUS Grant: 2" Meter

First	<u>20,000</u>	Gallons @	<u>\$ 83.30</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>20,000</u>	Gallons @	<u>\$ 3.27</u>	per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

D. Recommended Rate Schedule with RUS Grant: 2" Meter

First	<u>20,000</u>	Gallons @	<u>\$ 79.68</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>20,000</u>	Gallons @	<u>\$ 3.09</u>	per 1,000 Gallons.

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

D. Proposed Rate Schedule Without RUS Grant: 3" Meter

First	<u>30,000</u>	Gallons @	<u>\$ 116.00</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>30,000</u>	Gallons @	<u>\$ 3.27</u>	per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

E. Recommended Rate Schedule with RUS Grant: 3" Meter

First	<u>30,000</u>	Gallons @	<u>\$ 110.58</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>30,000</u>	Gallons @	<u>\$ 3.09</u>	per 1,000 Gallons.

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

E. Proposed Rate Schedule Without RUS Grant: 6" Meter

First	<u>100,000</u>	Gallons @	<u>\$ 344.90</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>100,000</u>	Gallons @	<u>\$ 3.27</u>	per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

F. Recommended Rate Schedule with RUS Grant: 6" Meter

First	<u>100,000</u>	Gallons @	<u>\$ 326.88</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>100,000</u>	Gallons @	<u>\$ 3.09</u>	per 1,000 Gallons.

If more than one rate, use additional sheets.

XXII. WATER RATES – PROPOSED (Wholesale Rate)

F. Proposed Rate Schedule Without RUS Grant: **\$2.37 per 1,000 Gallons**

First	_____	Gallons @	\$ _____	Minimum.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
All Over	_____	Gallons @	\$ _____	per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

G. Recommended Rate Schedule with RUS Grant: **\$2.32 per 1,000 Gallons**

First	_____	Gallons @	\$ _____	Minimum.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
All Over	_____	Gallons @	\$ _____	per 1,000 Gallons.

If more than one rate, use additional sheets.

XXV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS

Meter Size*	Monthly Sewer Usage			Average	Average Rate	Residential			Non-Residential		
						No. of Users**	Usage (1000)	Income	No. of Users	Usage (1000)	Income
	0	-	2,000 Gal.	1,000	16.43	1,115	842	18,319	139	74	2,284
	2,000	-	3,000 Gal.	2,900	21.14	844	2,439	17,842	30	82	634
	3,000	-	4,000 Gal.	4,000	24.40	876	3,643	21,374	16	64	390
	4,000	-	5,000 Gal.	4,500							
	5,000	-	6,000 Gal.	6,200	35.97	754	4,641	27,121	13	84	468
	6,000	-	7,000 Gal.	6,500							
5/8 x 3/4 Inch	7,000	-	8,000 Gal.	7,500							
	8,000	-	9,000 Gal.	8,500							
	9,000	-	10,000 Gal.	9,500							
	10,000	-	11,000 Gal.	10,500							
	11,000	-	12,000 Gal.	11,500							
	12,000	-	13,000 Gal.	12,500							
	13,000	-	14,000 Gal.	13,500	59.61	712	9,693	42,442			
	14,000	-	15,000 Gal.	14,500							
	15,000	-	16,000 Gal.	15,500							
	16,000	-	17,000 Gal.	16,500							
	17,000	-	18,000 Gal.	17,500							
	18,000	-	19,000 Gal.	18,500							
	19,000	-	20,000 Gal.	19,500							
		-	Gal.	23,700	91.12				34	823	3,098
		-	Gal.								
		-	Gal.								
			Subtotal			(4,301)	(21,258)	(127,099)	(232)	(1,127)	(6,874)
			Average Monthly Rate		(29.55)						
			Average Monthly Usage				(4.9)			(4.9)	

* Breakdown of meter size usage is not required unless different water rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

1-Inch	0	5,000	Gal.	31.27	7	14	219	1	4	31	
	5,000	10,000	Gal.	7,500	41.07	2	19	82	1	7	41
	10,000	20,000	Gal.	12,400	56.21	1	11	56			
	over	20,000	Gal.	35,600	127.90	1	24	128			
			Gal.	13,200	58.68				1	6	59
			88,300	259.84				5	493	1,299	
			Subtotal		(11)	(68)	(485)	(8)	(510)	(1,430)	
1-1/2 Inch	0	10,000	Gal.	48.79				1		49	
	10,000	15,000	Gal.								
	15,000	20,000	Gal.								
	over	20,000	Gal.	118,500	384.06			2	237	768	
			Gal.								
			Subtotal		()	()	()	(3)	(237)	(817)	
2- Inch	0	20,000	Gal.	79.69	7		557	8	55	637	
	over	20,000	Gal.	42,800	150.14	3	450				
			Gal.								
			Gal.	133,700	431.02			14	1,927	6,034	
			Gal.								
			Subtotal		(10)	()	(1,008)	(22)	(1,982)	(6,671)	
3- Inch	0	30,000	Gal.	110.59	1	228	110	1	2	110	
	over	30,000	Gal.	113,800	369.53			1	170	370	
			Gal.								
			Gal.								
			Gal.								
			Subtotal		(1)	(228)	(110)	(2)	(172)	(480)	
4-Inch			Gal.								
			Gal.								
			Gal.								
			Gal.								
			Gal.								
			Subtotal		()	()	()	()	()	()	

* Breakdown of meter size usage is not required unless different water rates are charged based on size of water meter.

** Number of users should reflect the actual number of “meter settings”.

		Gal.								
		Gal.								
5- Inch		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Subtotal			()	()	()	()	()	
	0	100,000 Gal.		326.89				1	8	327
	over	100,000 Gal.	464,400	1,452.89				2	1,044	2,905
6- Inch		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Subtotal			()	()	()	(3)	(1,052)	(3,232)
		TOTALS			(4,323)	(21,554)	(128,702)	(270)	(5,072)	(19,504)

MULTI-FAMILY AND APARTMENT USER ANALYSIS

If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.

Name of Unit	Number of Units	Number of Meters	Revenue Calculations
East Laurel W.D.			$354,884 \times 2.32 = 823,330$
West Laurel W.A			$356,893 \times 2.32 = 827,992$
Livingston			$12,087 \times 2.32 = 27,921$
		Total	723,864 1,679,243

* Breakdown of meter size usage is not required unless different water rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

XXVI. FORECAST OF WATER USAGE - INCOME - NEW USERS - EXTENSION ONLY

Meter Size*	Monthly Sewer Usage			Average Rate	Residential			Non-Residential			
					No. of Users**	Usage (1000)	Income	No. of Users	Usage (1000)	Income	
	0	-	2,000 Gal.	1,000							
	2,000	-	3,000 Gal.	2,500							
	3,000	-	4,000 Gal.	3,500							
	4,000	-	5,000 Gal.	4,500	28.94	159	795	4,601			
	5,000	-	6,000 Gal.	5,500							
	6,000	-	7,000 Gal.	6,500							
5/8 x 3/4 Inch	7,000	-	8,000 Gal.	7,500							
	8,000	-	9,000 Gal.	8,500							
	9,000	-	10,000 Gal.	9,500							
	10,000	-	11,000 Gal.	10,500							
	11,000	-	12,000 Gal.	11,500							
	12,000	-	13,000 Gal.	12,500							
	13,000	-	14,000 Gal.	13,500							
	14,000	-	15,000 Gal.	14,500							
	15,000	-	16,000 Gal.	15,500							
	16,000	-	17,000 Gal.	16,500							
	17,000	-	18,000 Gal.	17,500							
	18,000	-	19,000 Gal.	18,500							
	19,000	-	20,000 Gal.	19,500							
		-	Gal.								
		-	Gal.								
		-	Gal.								
			Subtotal			(159)	(795)	(4,601)	()	()	()
			Average Monthly Rate	(28.94)							
			Average Monthly Usage			(5,000)			()		

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

XXXI. PROPOSED OPERATING BUDGET (WATER SYSTEM) EXISTING SYSTEM AND NEW USERS
 (1st Full Year of Operation) Year Ending 2006

A. Operating Income:

Water Sales	<u>\$3,512,927</u>
Disconnect/Reconnect/Late Charge Fees	<u>\$45,000</u>
Other (Describe)	<u> </u>
Less Allowances and Deductions	<u>()</u>
Total Operating Income	<u>\$3,557,927</u>

B. Operation and Maintenance Expenses:
 (Based on Uniform System of Accounts prescribed by National Association of
 Regulatory Utility Commissioners)

Source of Supply Expense	<u>\$ 43,662</u>
Pumping Expense	<u>151,534</u>
Water Treatment Expense	<u>840,353</u>
Transmission and Distribution Expense	<u>296,621</u>
Customer Accounts Expense	<u>167,447</u>
Administrative and General Expense	<u>235,127</u>
Taxes	<u>3,578</u>
Capital Improvements	<u>600,000</u>
Total Operating Expenses	<u>\$2,338,322</u>
Net Operating Income	<u>\$1,219,605</u>

C. Non-Operating Income:

Interest on Deposits	<u>\$</u>
Other (Identify)	<u> </u>
Total Non-Operating Income	<u>\$</u>

D. Net Income

\$

E. Debt Repayment:

RUS Interest	<u>\$ 500,957</u>
RUS Principal	<u>165,917</u>
Non-RUS Interest	<u>230,817</u>
Non-RUS Principal	<u>149,600</u>
Total Debt Repayment	<u>\$1,047,291</u>

F. Balance Available for Coverage

\$ 172,314

XXXV. ESTIMATED PROJECT COST - WATER

Development	\$ 12,842,294
Land and Rights	
Legal	74,750
Engineering	1,179,200
Interest	200,000
Contingencies	641,756
Initial Operating and Maintenance	
Other	
TOTAL	\$ 15,080,000

XXXVI. PROPOSED PROJECT FUNDING

Applicant – User Connection Fees	\$
Other Applicant Contribution	51,000
RUS Financial Assistance	7,975,000
RUS Grant	1,000,000
ARC Grant (If applicable)	500,000
State Grant (If applicable)	750,000
Other (Specify) – EDA Grant	1,199,000
Other (Specify) – KRWA Bond Issue	3,605,000
TOTAL	\$ 15,080,000

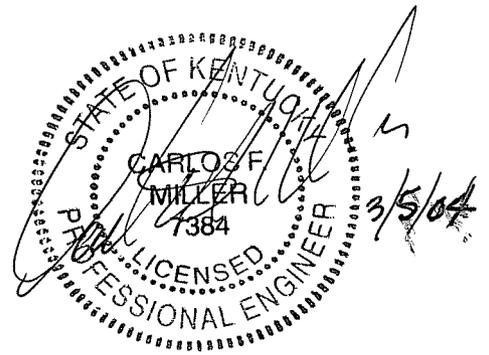
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PRELIMINARY ENGINEERING REPORT
FOR
WOOD CREEK WATER DISTRICT
WATER TREATMENT PLANT EXPANSION AND
IMPROVEMENTS

Case No. 2005-00453

PROJECT No. 2000104



MARCH, 2004

Kenvirons, Inc.

Civil & Environmental Engineering and Laboratory Services

PRELIMINARY ENGINEERING REPORT
FOR
WOOD CREEK WATER DISTRICT
WATER TREATMENT PLANT EXPANSION AND
IMPROVEMENTS

PROJECT NO. 2000104

MARCH, 2004

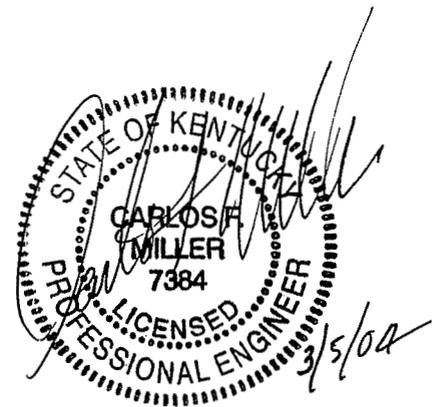


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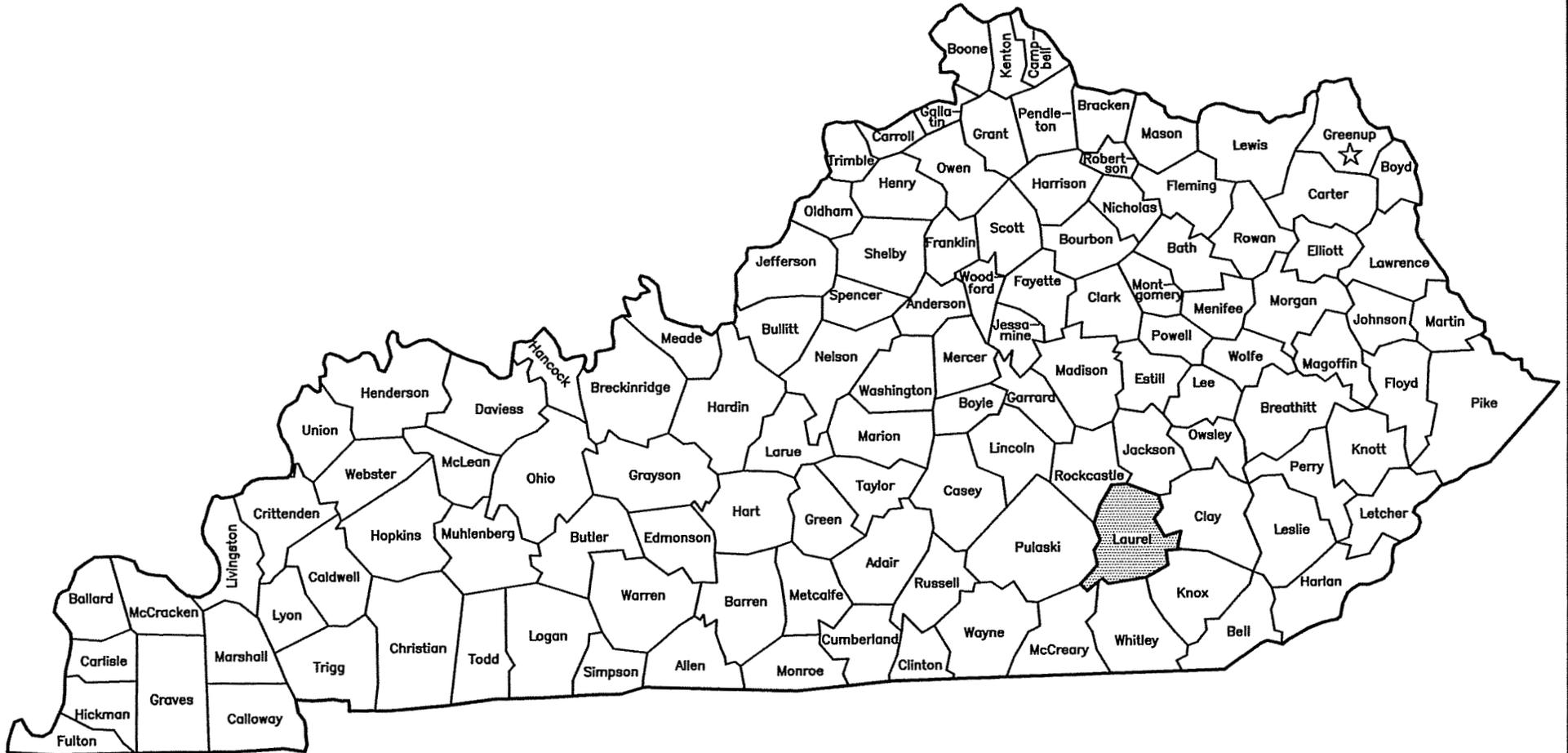
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Appendix I	RUS Summary/Addendum
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WOOD CREEK WATER DISTRICT
WATER TREATMENT PLANT EXPANSION
LAUREL COUNTY, KENTUCKY



KENVIRONS, INC.

452 VERSAILLES ROAD, FRANKFORT, KENTUCKY

(502) 695-4357

INTRODUCTION

The Wood Creek Water District (WCWD) was originally formed in 1967 and was comprised of a 0.5 MGD water treatment plant and distribution system that served 634 customers in central and north-western Laurel County. Currently, WCWD serves potable water to over 4,600 residential and commercial customers, and also furnishes water for resale to the East Laurel Water District (ELWD) with over 4,300 customers in Laurel and Clay counties, the West Laurel Water Association (WLWA) with 4,300 customers, and the City of Livingston and the Rockcastle Water Association. ELWD, in turn, sells water to the Hima-Sibert Water District in Clay County and WLWA sells water to the Cumberland Falls Highway Water District in Whitley County. A total of over 15,000 customers depend on WCWD for their water supply.

WCWD is increasingly becoming a regional water supplier. Currently, WCWD produces water that is transmitted into Clay, Jackson, Laurel, Rockcastle and Whitley Counties. The main advantage of WCWD becoming a regional water supplier is that its water treatment plant is located directly above a large and adequate raw water source, Wood Creek Lake. A recent yield analysis of Tyner Lake, the raw water source for the majority of Jackson County, revealed that the Jackson County Water Association cannot extend or sell any significant quantities of water outside the county limits. It has further been suggested that the City of Manchester, the primary water supplier in Clay County, has an inadequate raw water source to meet user demands during an extended drought period. It is conceivable that the surrounding counties will be searching for alternative water sources to provide for the increasing demands with WCWD being the primary candidate to supply that need. During the calendar year of 2001, the average water plant production was 3.4 MGD with a peak day of 4.7 MGD. In order for WCWD to continue supplying potable water to its current users and the above mentioned utilities, expansion of the water treatment plant capacity, storage and transmission facilities are necessary.

GEOGRAPHIC LOCATION

Wood Creek Water District is located in Laurel County in the southeastern part of Kentucky. The county seat is London located on Interstate 75 approximately 75 miles south of Lexington, Kentucky. The Wood Creek service area includes generally the area of the county north and west of London. Figure 1 shows the county location.

PROJECT NEED

The WCWD treatment capacity is rated at 4.6 MGD or 138 million gallons per month. Currently, the District has the following water sales commitments:

<u>Utility</u>	<u>Gallons Per Month</u>
Wood Creek Water District	78,400,000*
East Laurel Water District	30,000,000
West Laurel Water District	25,000,000
Livingston	1,500,000
Hima Sibert	2,000,000
Cumberland Falls Highway Water District	1,000,000
Rockcastle Water Association	<u>100,000</u>
TOTAL	138,000,000

* Includes water loss, backwash operations, etc.

The peak day during 2001 was 4.7 MGD. The severe need to expand this regional facility is obvious. The most recent project was funded with an RD loan and increased the plant capacity from 3.6 to 4.6 MGD. This project provided increased clearwell and high service pump capacities and a new raw water intake facility. A new chemical feed building was constructed with left-over monies. The capacity of the clearwell and raw water facilities is 8 MGD. In order for the treatment capacity to be rated at 8 MGD, an additional Super Pulsator/Greenleaf Filter train must be installed. WCWD is presently accumulating operating data relative to increasing the Super Pulsator rate from 2.0 GPM/SF to 3 GPM/SF which increases the capacity to 6.9 MGD. The KDOW has limited the rating of Super Pulsator units to 2 GPM/SF. During periods of normal maintenance, one of the Super Pulsator basins is removed from service and the loading rate through the remaining basin is increased to approximately 3.75 GPM/SF. Past experience has shown that, under this operating condition, the clarifiers are actually more efficient at turbidity removal. According to the Super Pulsator manufacturer, this phenomenon is typical since better flow distribution is attained at loading rates between 2.5 and 4.0 GPM/SF.

The installation of an additional treatment train will increase the treatment capacity to 8 MGD under the current hydraulic conditions of the clearwell, raw water facility and system transmission capability. Increasing the clearwell, raw water and high service pumping capacities and providing transmission main reinforcement will allow the plant to be conservatively rated at 11 MGD. The Wood Creek Lake source is adequate at this demand.

WCWD is a regional supplier providing the entire treated water supply directly to East Laurel Water District (ELWD), West Laurel Water Association (WLWA) and the City of Livingston. Its influence is far reaching through these adjacent utilities. Water is supplied to many customers in Clay County through ELWD. Water is supplied the Cumberland Falls Highway Water District (CFHWD) in Whitley County through

WLWA. CFHWD is anticipating the purchase of a major part of their supply through their connection to WLWA by installing a new pump and tank. Water is supplied to Northern Rockcastle Water Association through Livingston and some customers in Jackson County are supplied by WCWD. WLWD, WLWA, CFHWD and WCWD are all experiencing phenomenal growth throughout all of the systems. The facilities of WCWD must be expanded in order for this regional facility to continue providing a good reliable water supply to the surrounding satellite utilities and its own general customers.

The primary transmission main leaving the treatment plant is a 20-inch D.I. pipeline. Using 4 feet per second as an allowable maximum for pipeline velocity, the maximum flow in a 20-inch pipeline is approximately 4000 GPM or 5.7 MGD. Pressure at the WTP in excess of 120 psi results in pipe ruptures in the distribution piping in many areas. The locations for the total demand for East Laurel Water District and 90% of the West Laurel Water Association demand are southeast from the WTP. The aforementioned 20-inch line presently extends in this direction. A new 2 million gallon tank is presently under construction in this area. Hydraulic studies indicate that a 24-inch line is needed from a connection to the existing 20-inch line at Snuffer Cemetery, at US 25 and I-75, east through East Bernstadt to the new 2 MG tank. This will allow the flow from the WTP to be increased from 4.6 MGD to about 6 MGD. When the flow is increased to 11 MGD, a 24-inch reinforcement line parallel with the existing 20-inch from Snuffer Cemetery to the WTP will be needed. This 24-inch pipeline allows a flow of 11 MGD from the WTP with velocities in the range of 3 to 3.3 fps in all pipelines and pressures at the WTP of about 100 psi.

The existing water storage tank volume in the system is 3.35 million gallons. Considering the effective storage in a standpipe is about one-third of the total volume, the actual effective storage volume is approximately 3 MG. The average demand during 2002 was 3.0 MGD with a peak day of 4.9 MGD. The Ten State Standards, which has been adopted into the KDOW regulations indicates a minimum storage volume should equal the average one day demand. A two-day storage is not excessive and the water district needs to keep ahead of the growth curve. Consequently, a 3 MG storage tank is proposed in this project as an additive alternate with the contingency that the funding is available.

Laurel, Clay, Jackson, Whitley and Rockcastle Counties continue to register below the statewide average in median household income. Therefore, these communities will be especially burdened by the utility rate increase necessary to pay for the upgrades needed for the Wood Creek Water Plant. For this reason, the acquisition of grant funds is especially crucial.

ALTERNATIVE SOURCES

There are no other viable alternatives for supplying water to the region. Wood Creek Lake is an excellent source of water that is owned and completely controlled by the water district. Improvement and expansion of this facility is the only viable alternative for meeting the increasing demands of Laurel and surrounding counties.

EXISTING FACILITIES

The existing facilities consist generally of the following:

- 4.6 MGD water treatment plant
- 156 miles of water lines in sizes 2" through 20"
- 4 storage structures totaling 1,050,000 gallons

The facilities are in excellent condition with an unaccounted for water of less than 15% including line flushing and system maintenance.

PROPOSED FACILITIES

The proposed project consists of the following improvements:

- (1) An additional treatment train exactly like the existing one including two Super Pulsator clarifier basins and a four cell Greenleaf filter unit.
- (2) Additional raw water and high service pumps.
- (3) 2,000 LF of 20-inch raw water transmission reinforcement main from the raw water pump station to the treatment plant.
- (4) 19,000 LF of 24-inch finished water transmission main reinforcements.
- (5) Improvements to the existing laboratory.
- (6) Yard piping, controls and associated appurtenances.
- (7) An additional one million gallon clearwell.
- (8) A 3 MG storage tank included as an additive alternate in the event adequate funds are available.

The proposed funding for the project is shown in Exhibit 1. The project cost is estimated to be \$10,000,000. A breakdown of the project cost is contained in Exhibit 1. Figure 2 shows the location of the proposed facilities. Figures 3 and 4 contain conceptual drawings of the improvements.

WATER SYSTEM OPERATION

The intake facility consists of a suspended 30-inch HDPE pipeline in the central portion of the lake (70 feet deep) and extending to the existing pump house on shore. The intake point varies through a stainless steel cable and pulley system providing an infinite range of intake capability. The raw water pumping capability will be increased to 8 MGD by installing an additional 4 MGD pump. In the future when the treatment capacity is

increased to 11 MGD, the pumps will be replaced with 5.5 MGD pumps resulting in the operation of two pumps to provide the treatment capacity with a spare.

The high service pumping facility includes piping that allows suction from each clearwell. This allows taking any tank out of service for maintenance while pumping from the others.

LAND, RIGHTS AND OTHER RIGHTS AND PERMITS

This project will require no acquisition of land. All treatment plant work will be done on property owned by the water district. Easements or highway right-of-way permits will be required for the finished water transmission main reinforcements. Approvals will be required from the Public Service Commission and Division of Water.

FEASIBILITY STUDY

The project cost is shown in Exhibit 1 to be \$10,000,000. It is anticipated that this project will be funded as shown in Exhibit 1. This section contains an economic feasibility analysis to determine the affect of additional borrowing on the District's financial integrity and the need for a rate adjustment.

The District supplied computer billing sheets for the period Jan.-Dec., 2002. A billing analysis was prepared from this data (See RD Summary/Addendum).

Exhibit 3 shows adjustments to existing expenses.

Exhibits 6 through 8 shows the determination of the treatment cost and wholesale rate to the adjacent utilities.

Exhibit 9 shows the rationale for the rate increase to the general customers.

RECOMMENDATIONS

It is recommended to:

1. Implement the improvements to the water treatment facility as soon as possible.
2. Submit applications to the appropriate federal and state agencies for project funding.
3. Adjust the rates as shown in this report to maintain the financial integrity of the district.

EXHIBIT 1
WOOD CREEK WATER DISTRICT
WATER TREATMENT PLANT EXPANSION

OPINION OF PROBABLE CONSTRUCTION COST

OPINION OF PROBABLE PROJECT COST

BASE PROJECT DEVELOPMENT:

Super Pulsator, 2 Basins	\$834,000
Greenleaf Filters, 4 Basins	992,000
Process Building	1,100,000
Yard Piping	200,000
Raw Water & High Service Pumps	300,000
20" Raw Water Reinforcement Main: 2,000 LF @ \$50/ft.	100,000
Blacktop Road to Lake	100,000
Residual Disposal Facilities	820,000
Electrical	400,000
Lightning Protection System	60,000
Controls & Telemetry	200,000
Painting	350,000
Laboratory & Equipment	150,000
Clearwell	600,000
Finished Water Reinforcement Main: 36,000 LF @ \$50/LF	1,800,000
Mobilization	50,000
Supervision	140,000
Bonds & Insurance	<u>50,000</u>
TOTAL CONSTRUCTION COST	\$8,246,000

ADDITIVE ALTERNATE:

Three Million Gallon Storage Tank	\$1,500,000
-----------------------------------	-------------

EXHIBIT 2
OPINION OF PROBABLE PROJECT COST
AND
FUNDING

BASE PROJECT

1.	CONSTRUCTION (Exhibit 1)		\$8,246,000
2.	ENGINEERING		
	2.1 Design	\$489,600	
	2.2 Construction Observation	246,700	
	2.3 Prel. Engineering Report	12,000	
	2.4 Geotechnical Investigation	28,000	
	2.5 Environmental	<u>15,000</u>	
			\$791,300
3.	LEGAL		
	Local Counsel	\$18,000	
	Bond Counsel	<u>30,000</u>	
			\$48,000
4.	LAND & RIGHTS		\$10,000
5.	CAPITALIZED INTEREST		100,000
6.	CONTINGENCIES		<u>804,700</u>
	TOTAL PROJECT COST		\$10,000,000

OPINION OF PROBABLE FUNDING

Rural Development Loan		\$7,250,000
Rural Development Grant		1,000,000
ARC Grant		750,000
EDA Grant		<u>1,000,000</u>
		\$10,000,000

ADDITIVE ALTERNATE:

Construction Cost		\$1,500,000
Geotechnical Investigation		10,000
Engineering Design @ 7.62%		114,300
Construction Observation @ 4.1%		61,500
Surveying		<u>2,500</u>
TOTAL ADDITIVE ALTERNATE COST		\$1,688,300

EXHIBIT 3
ADJUSTMENTS TO REVENUES AND EXPENSES

Customer Count – Feb., 2004	4,729
Avg. Customers during 2002	<u>4,570</u>
Adjusted No. of Customers	159

1. Added Revenue

159 x 12 x \$18 = **\$34,344**

2. Added O & M Expenses

2.1 Treated water = 5.0 x 12 x 159 ÷ 0.90 = 10,600 MGals
Expense = 10,600 MGals x \$0.594/MGals = **\$6,296**

2.1 Customer Expense = 159 cust. X \$30 = **\$4,770**

2.2 Existing O & M Expenses Adjustment at 3% per year to 2006
⁽¹⁾ \$1,339,394 x .12 = **\$160,727**

2.3 Adjustment for Health Insurance Premium

Cost for 2002 = \$224,455

Annualized Cost per March, 2004

\$24,965/month x 12 299,580

Difference Adjustment **\$75,125**

Total Added O & M = \$246,918

3. Proposed Debt Service

\$7,250,000 at 4.5% for 38 years

\$7,250,000 x 0.05551 = **\$402,477**

4. Coverage = \$402,477 x 0.10 = **\$40,245**

5. Depreciation for Proposed Project

\$8,246,000 ÷ 40 years = **\$206,150**

EXHIBIT 4
SUMMARY OF OPERATION AND MAINTENANCE EXPENSES
AND ADJUSTMENTS

	<u>2002 ANNUAL</u> <u>REPORT</u>	<u>ADDED</u> <u>CUST.</u> <u>(EX. 3)</u>	<u>INFLATION</u> <u>(EX. 3)</u>	<u>HEALTH</u> <u>INSURANCE</u> <u>(EX. 3)</u>	<u>ADJUSTED</u> <u>O & M</u> <u>EXPENSES</u>
Source	\$37,023		\$4,699	\$1,940	\$43,662
Pumping	151,534		---	---	151,534
Water Treatment	701,518	\$6,296	89,032	20,219	817,065
Trans. & Dist.	222,646 ⁽¹⁾		28,257	22,430	273,333
Customer Accts.	124,200 ⁽¹⁾	4,770	15,763	22,714	167,447
Admin. & General	181,041 ⁽¹⁾		22,976	7,822	211,839
	<u>\$1,417,962</u>	<u>\$11,066</u>	<u>\$160,727</u>	<u>\$75,125</u>	<u>\$1,664,880</u>
Power	<u>- 151,534</u>				
	<u>\$1,266,428</u>				

⁽¹⁾ \$508,672 (2002 A.R.) - \$286,026 (EL + WL) = \$222,646
\$375,655 (2002 A.R.) - \$251,455 (EL + WL) = \$124,200
\$248,450 (2002 A.R.) - \$67,409 (EL + WL) = \$181,041
EL + WL Expenses \$604,890
EL + WL Deprec. 78,568
Correction per \$683,458
2002 A.R., pg. 10

EXHIBIT 5
REVENUE REQUIREMENT

1. OPERATING AND MAINTENANCE EXPENSES		
Exhibit 4		\$1,664,880
Taxes other than Income		<u>3,578</u>
		\$1,668,458
2. Debt Service		
2.1 Existing (2003)		
Principal		\$179,600
Interest		<u>199,749</u>
		\$379,349
2.2 Proposed		
See Exhibit 3, Item 3		\$402,477
3. Depreciation		
3.1 2002 Annual Report		\$510,469
3.2 Proposed Project: See Exhibit 3, Item 4		<u>206,150</u>
		\$716,619
4. Debt Service Coverage		
4.1 Existing:		
RD	\$224,182 x 0.10	\$22,418
Bond Issue	\$155,167 x 0.20	31,033
4.2 Proposed: See Exhibit 3, Item 3		<u>40,245</u>
		\$93,696
	TOTAL REVENUE REQUIREMENT	\$3,260,599

EXHIBIT 6
EXPENSE ALLOCATION FACTOR FOR WHOLESALE CUSTOMERS
(DATA: 2002 ANNUAL REPORT)

Water Produced 1,262,664,000 gallons
WTP Use 118,240,000 or 9.36%
Flushing, leaks, etc. 96,863,000 or 7.67%

Wood Creek W. D.

	<u>GALLONS</u>	<u>PROPORTION</u>
Retail Sales	319,242,000	
Fire Dept.	2,109,000	
Construction	2,346,000	
	323,697,000	30.90%
Wholesale Customers	723,864,000	69.10%
TOTAL SALES AND USES	1,047,561,000	100.00%

$$\text{Inch-Mile Ratio} = \frac{363.8(\text{Jointly Used Pipe})}{1056.8(\text{Total Pipe})} = 0.3442$$

Wood Creek

$$\text{Plant Use} + \text{Losses} = .0936 + .0767 = 0.1703$$

$$\text{Water Production Factor} = \frac{1}{1 - 0.1703} = 1.2053$$

Wholesale Customers

$$\text{Plant Use} + \text{Losses} = .0936 + (.3442 \times .0767) = 0.1200$$

$$\text{Water Production Factor} = \frac{1}{1 - 0.1200} = 1.1364$$

Wholesale Customers' Allocation Factor

$$\text{WPF} = \frac{1.1364 \times 723,864}{1.2053 \times 1,047,561} = 0.6515$$

$$\text{Transmission Factor} = 0.3442 \times 0.6910^{(1)} = 0.2378$$

⁽¹⁾ Ratio of $\frac{723,864}{1,047,561} = 0.6910$

**EXHIBIT 7
WOOD CREEK WATER DISTRICT
DEPRECIATION ANALYSIS**

TOTAL DEPRECIATION

		TOTAL WATER PLANT	%	ANNUAL DEPRECIATION
Organization		\$21,836	0.13	\$675
Source of Supply & Pumping	\$1,780,680			
Water Treatment Plant	<u>3,936,224</u>			
		\$5,716,904	34.63	\$176,798
Transmission & Distribution		9,148,985	55.43	282,936
General Plant		<u>1,618,725</u>	<u>9.81</u>	<u>50,060</u>
		\$16,506,450	100.0	\$510,469
			0	

REDISTRIBUTION OF T & D DEPRECIATION

Structures & Improvements		\$947,310	10.46	\$29,586
Dist. Reservoirs		1,187,496	13.11	37,087
Mains		5,436,891	60.01	169,802
Services	\$863,186			
Meters & Meter Installations	549,557			
Hydrants	<u>74,904</u>			
		<u>1,487,647</u>	<u>16.42</u>	<u>46,461</u>
		\$9,059,344	100.00	\$282,936
Land (not included)		<u>89,641</u>		
		\$9,148,985		

T & D EXPENSE FOR WHOLESALE RATE DETERMINATION

Total Depreciation	\$282,936
Less Meters, Services & Fire Hydrants	<u>(-) 46,461</u>
	\$236,475

EXHIBIT 8
WATER TREATMENT EXPENSE
AND
WHOLESALE RATE

<u>WTP EXPENSES</u>	<u>ALLOCATION</u>	<u>ALLOCATED</u>
	<u>FACTOR</u>	<u>COST</u>
BOND		
<u>ISSUE</u>		
1985	@ 5%	\$44,150
1992	@ 5%	83,515
2001	@ 4.75%	95,800
		<u>\$223,465</u>
Depreciation (Exhibit 7)		\$176,798
Debt Service Coverage: \$223,465 x 0.20		44,693
WTP Operation & Maintenance ⁽¹⁾		<u>1,004,341</u>
		<u>\$1,225,832</u>
TOTAL EXISTING WTP EXPENSES	0.6515	\$944,217
 <u>TRANSMISSION AND DISTRIBUTION</u>		
O & M Expense ⁽²⁾		\$286,233
Depreciation Expense (Exhibit 7)		<u>236,475</u>
TOTAL T & D EXPENSE	0.2378	124,300
 <u>PROPOSED PROJECT</u>		
Debt Service (Ex. 4, Item 2.2)		\$402,477
Coverage (Ex. 4, Item 3)		40,248
Depreciation (Ex. 4, Item 4)		<u>206,150</u>
TOTAL PROPOSED PROJECT EXPENSES	0.6515	<u>422,740</u>
 TOTAL PROJECTED EXPENSES		 \$1,491,257

$$\text{Wholesale Rate} = \frac{1,491,257}{723,864 \text{ MG}} = 2.06 \text{ per 1,000 gallons (Use \$2.00)}$$

(1) Total WTP Expense = \$1,012,261 (Exhibit 4) - \$1,624 (Hwy. 490 P.S. Power) - \$6,296 (Added Cust.) = \$1,004,341

(2) Total T & D in Annual Report (2002) \$508,672

Adjustment on Pg. 10	\$683,458
Included in this amount is Depreciation	
Of \$78,568 (vehicles, etc.) this	(-) 78,568
Cost covered elsewhere	
EL & WL Expenses	<u>\$604,890</u>
Deduct Cust. Accts. & A&G	318,864
Per W.C. Account	
	<u>(-) 286,026</u>
Wood Creek Only T & D	\$222,646
Proposed Pipelines: 129 inch-miles x \$100/inch-mile	<u>12,900</u>
	\$235,546 + \$28,257 (Infl.) + \$22,430 (Ins.) = \$286,233

EXHIBIT 9
RATE INCREASE FOR GENERAL CUSTOMERS

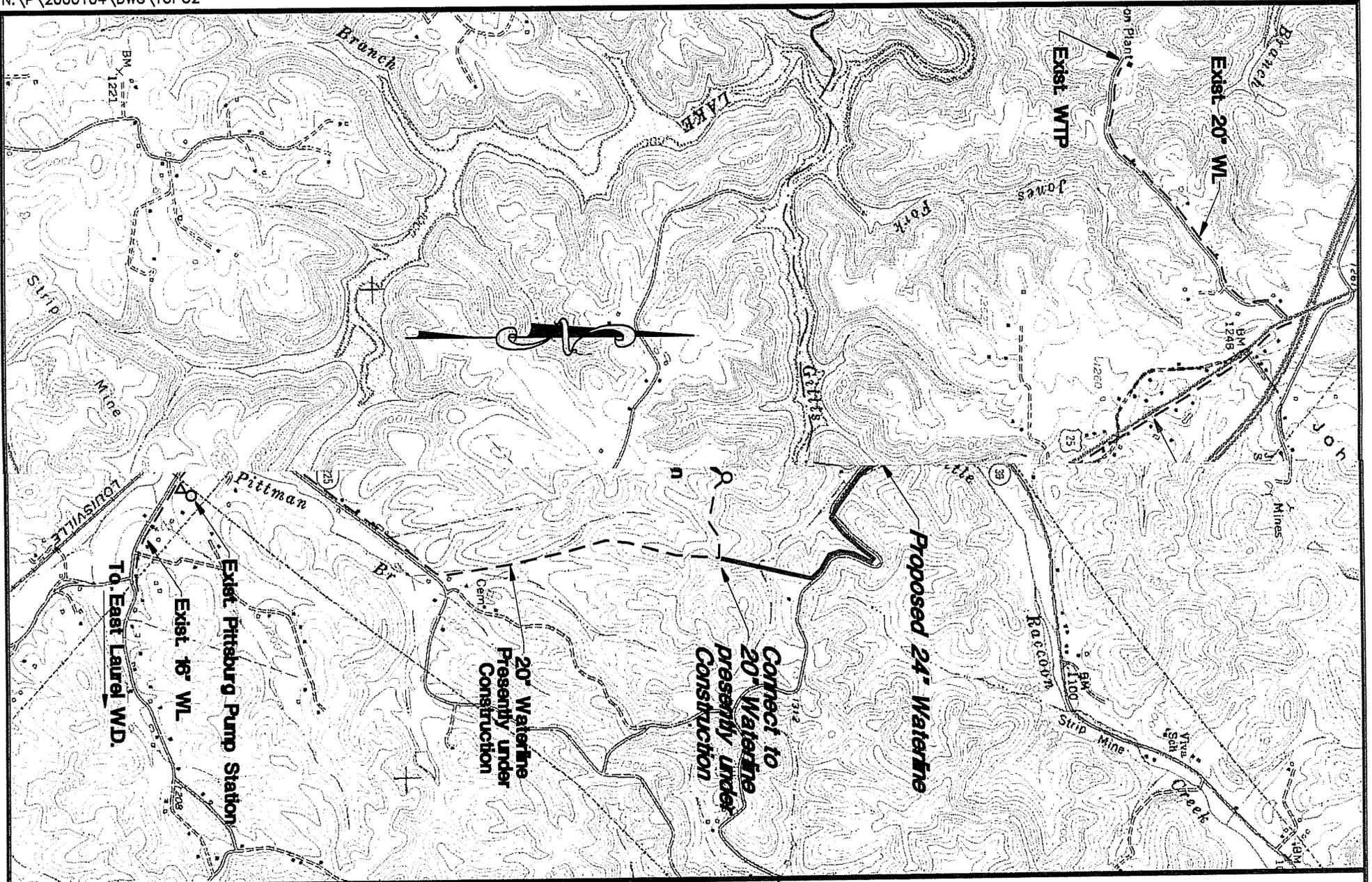
1. Revenues		
	Existing Water Sales (2002 Annual Report)	\$1,931,273
	Operating Revenues	48,496
	Adjustments (Ex. 3)	34,344
	Interest Income (2001)	<u>57,305</u>
		\$2,071,418
2. Revenue Requirement (Exhibit 4)		\$3,260,599
3. Revenue Requirement Deficit		(\$1,189,181)
4. Increased Revenue through Wholesale Rate Increase (2.00 – 1.24) 723,864		\$550,136
5. Revenue Adjustment for General Customers		\$639,044
6. Rate Adjustment for General Customers		

$$\frac{1,067,737^{(1)} + 639,044}{1,067,737} = 1.60 \text{ Use approximately 50\%}$$

7. Proposed Rates for 5/8" x 3/4" Meter

	<u>Existing Rate</u>	<u>Proposed Rate</u>	<u>% Increase</u>
First 2000 Gallons	\$9.48 (Min.)	\$14.22	50.0
Next 1500 Gallons	3.02 per 1000 Gals.	4.53	50.0
Next 1500 Gallons	2.69 per 1000 Gals.	4.03	50.0
Next 2500 Gallons	2.26 per 1000 Gals.	3.39	50.0
Over 7500	1.78 per 1000 Gals.	2.67	50.0
Wholesale Rate	\$1.24 per 1000 Gals.	\$2.00	61.0

⁽¹⁾ 1,033,393 (PSC Report, pg. 27) + 34,344 (Ex. 3, Item 1) = 1,067,737



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 CHECKED BY: CFM
 CHECKED BY:
 DATE: 11/02
 SCALE: 1"=2000'
 REV:

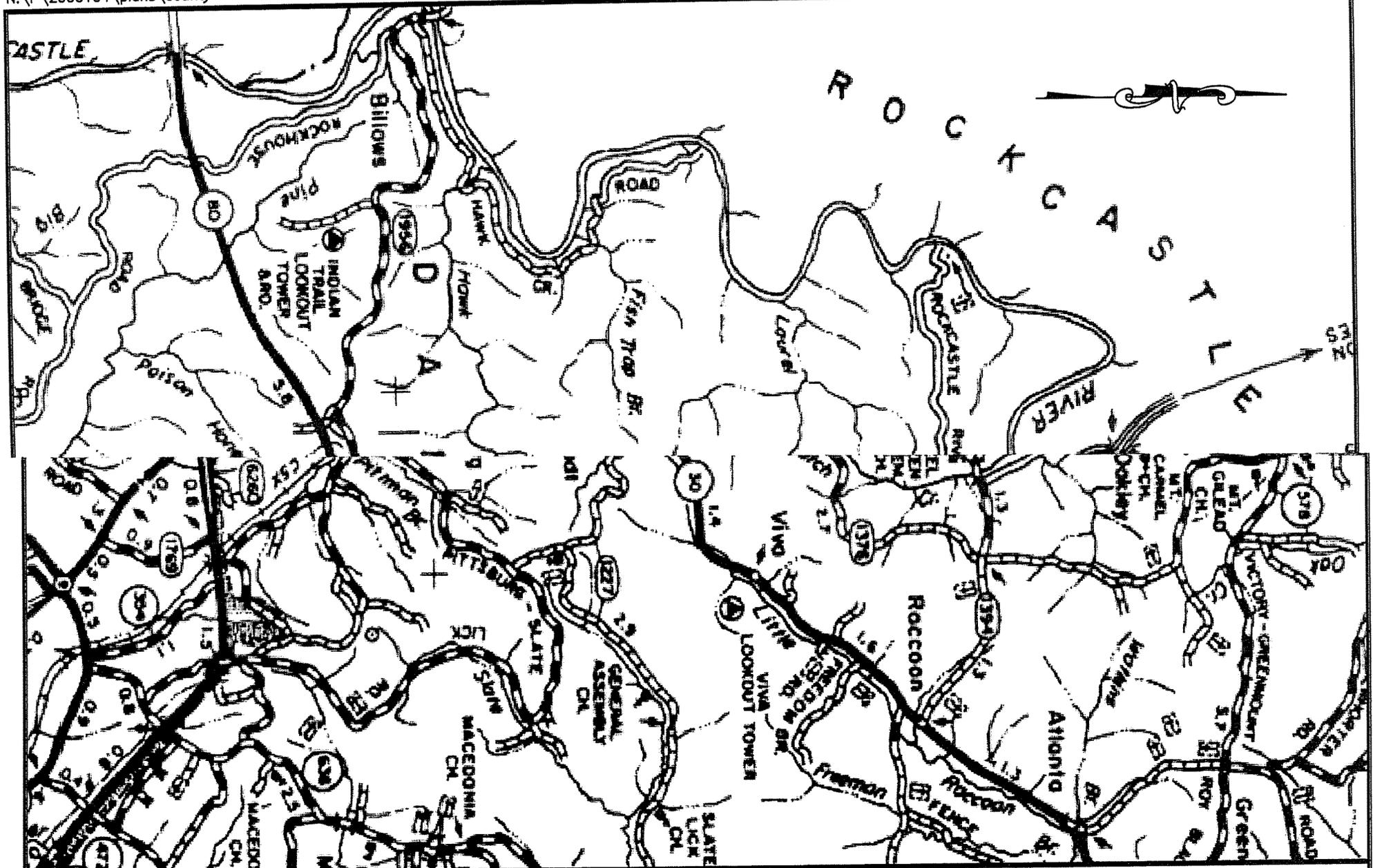
**WOOD CREEK WATER DISTRICT
 WATER TREATMENT PLANT EXPANSION
 AND TRANSMISSION MAIN REINFORCEMENTS**

KENVIRONS, INC.
 FRANKFORT, KENTUCKY



PROJECT NO.
 2000104

SHEET NO.
 1 OF 1



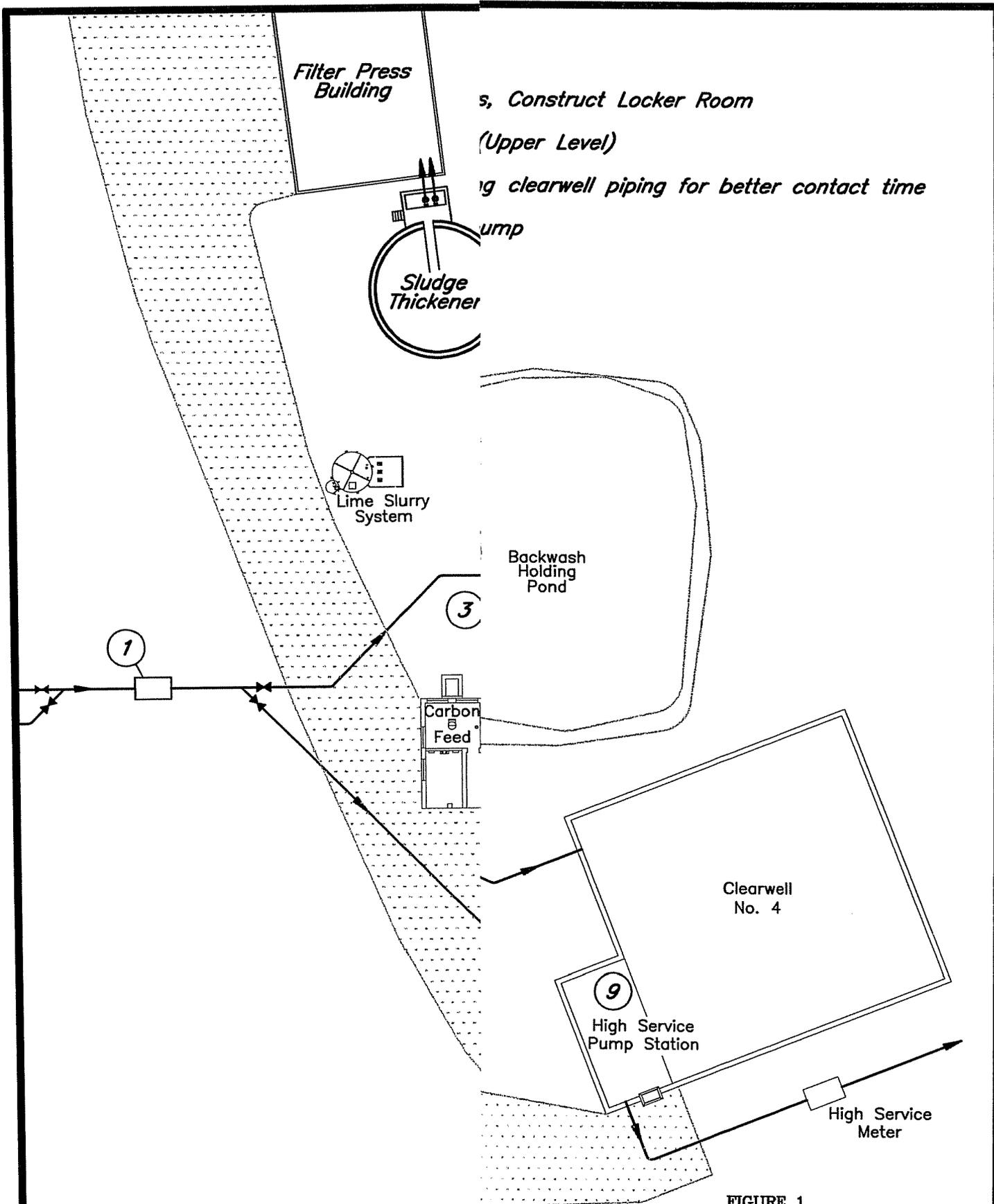
PROJECT NO.
2000104
SHEET NO.
1 OF 1



KENVIRONS, INC.
FRANKFORT, KENTUCKY

DRAWN BY: JKP
CHECKED BY: CFM
CHECKED BY:
DATE: 10/03
SCALE: 1"=5000'
REV:

WOOD CREEK WATER DISTRICT
WATER TREATMENT PLANT EXPANSION
LAUREL COUNTY, KENTUCKY



s, Construct Locker Room
 (Upper Level)
 ing clearwell piping for better contact time

FIGURE 1

**WOOD CREEK WATER DISTRICT
 WATER TREATMENT PLANT EXPANSION**

K6 KENVIRONS, INC.
 452 VERSAILLES ROAD, FRANKFORT, KENTUCKY
 (502) 895-4357

APPENDIX I

RUS SUMMARY/ADDENDUM

SUMMARY ADDENDUM
TO
PRELIMINARY ENGINEERING REPORT

DATED March, 2004

FOR

Wood Creek Water District Water Treatment Plant Expansion
(NAME OF PROJECT)

APPLICANT CONTACT PERSON Eula Dalton, Manager

APPLICANT PHONE NUMBER (606) 878-9420

APPLICANT TAX IDENTIFICATION NUMBER (TIN) 61-0680859

ITEMS IN BOLD ITALIC PRINT ARE APPLICABLE TO SEWER SYSTEMS.

In order to avoid unnecessary delays in application processing, the applicant and its consulting engineer should prepare a summary of the preliminary report in accordance with this Guide.

Please complete the applicable sections of the Summary Addendum. ***Please note, if water and sewer revenue will both be taken as security for the loan, all user information and characteristics of both utility systems will be needed even though the project will benefit only one utility.***

Feasibility reviews and grant determinations may be processed more accurately and more rapidly if the Summary/Addendum is submitted simultaneously with the preliminary engineering report, or as soon thereafter as possible.

I. GENERAL

- A. Proposed Project: Provide a brief description of the proposed project. In addition to this summary, the applicant/engineer should submit a project map of the service area.

This project consists of the expansion of the water treatment capacity of the Wood Creek Water District treatment facility from 4.6 MGD to 11.0 MGD.

II. FACILITY CHARACTERISTICS OF EXISTING SEWER SYSTEM

A. *Sewage Treatment:*

1. *Type* _____

2. *Method of Sludge Disposal* _____

3. *Cost per 1,000 gallons if sewage treatment is contracted:*

\$ _____

4. *Date Constructed* _____

B. *Treatment Capacity of Sewage Treatment Plant* _____

C. *Type of Sewage Collector System (Describe)* _____

D. *Number and Capacity of Sewage Lift Stations* _____

E. Sewage Collection System:

Lineal Feet of Collector Lines, by size 6" _____ 8" _____
10" _____ 12" _____, *Larger* _____
Date(s) Constructed _____

F. Conditions of Existing System: Briefly describe the conditions and suitability for continued use of facility now owned by the applicant. Include any major renovation that will be needed within five to ten years.

III. FACILITY CHARACTERISTICS OF EXISTING WATER SYSTEM

A. Water Source: Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

See Page 3A

If the applicant purchases water:

Seller(s):

1. _____
2. _____
3. _____

Price/1,000 gallons:

1. _____
2. _____
3. _____

Present Estimated Market Value of Existing System: \$ _____

III A.

Raw water source is Wood Creek Lake, which has ample quantity with excellent quality. The lake is owned and controlled by the water district. The lake surface is 700 acres with a 22 square mile drainage area. Storage at normal pool is approximately 23,000 acre-feet. Present treatment capacity is 4.61 MGD. Average daily production during 2000 was 3.25 MGD with a peak day of 4.83 MGD.

B. Water Storage:

Type: Ground Storage Tank _____ Elevated Tank 1
Standpipe 3 Other _____
Number of Storage Structures 4
Total Storage Volume Capacity 1,050,000
Date Storage Tank(s) Constructed 1970's

C. Water Distribution System:

Pipe Material PVC, AC, DI
Lineal Feet of Pipe: 3" Diameter _____ 4" _____
Total: 156 miles 6" _____ 8" _____
Size: 2" – 20" 10" _____ 12" _____
Date(s) Water Lines Constructed 1970 to 1990
Number and Capacity of Pump Station(s) High Service Pumps: (2) 3000 GPM each
Booster Pump: (2) 1000 GPM each

D. Condition of Existing Water System:

Briefly describe the condition and suitability for continued use of facility now owned by the applicant. Include any major renovation that will be needed within five to ten years.

Condition of system is excellent. Additional system storage could be recommended in future to provide a more efficient operation of high service pumps. Transmission line reinforcement will be needed within ten years.

E. Percentage of Water Loss Existing System 10%

IV. EXISTING LONG-TERM INDEBTEDNESS

A. List of Bonds and Notes:

Date of Issue	Bond/Note Holder	Principal Balance	Payment Date	Bond Type Water/Sewer*	Amount on Deposit in Reserve Account
1967 Issue	RD	\$ 72,500		100 % %	
1980 Issue	RD	\$ 39,000		100 % %	
2004B 1991 Issue	RD	\$ 1,266,400		100 % %	
1992 Issue	RD	\$ 100,700		100 % %	Total \$371,130
1998 Issue	RD	\$ 1,646,000		100 % %	
C 2003 Issue	RD	\$ 1,328,500		100 % %	
A 2003 Issue	RD	\$ 291,000		100 % %	

*If a combined issue, show attributable portion to each system.

B. Principal and Interest Payments: (Begin with Next Fiscal Year Payment)

Date of Issue	Bond/Note Holder	Payment Year 2004		Payment Year 2005		Payment Year 2006	
		Principal Payment	Interest Payment	Principal Payment	Interest Payment	Principal Payment	Interest Payment
1967 Issue	RD	32,000	1,519	36,000	169	36,000	---
1980 Issue	RD	1,500	1,875	1,500	1,800	2,000	1,700
1991 Issue	RD	20,600	62,290	21,900	61,195	23,300	60,030
1992 Issue	RD	1,600	4,995	1,700	4,870	1,800	4,780
1998 Issue	RD	17,000	77,377	19,000	77,287	19,000	75,572
2003 Issue	Private Bonds	16,900	39,968	41,900	47,386	86,500	45,955
2003 Issue	Private Bonds	8,000	12,555	11,000	12,165	11,000	11,712

V. EXISTING SHORT-TERM INDEBTEDNESS

A. List of All Short Term Debts: (Do Not Show Any Debt Listed in Paragraph IV Above)

<u>Lender or Lessor</u>	<u>Date of Issue (Month & Year)</u>	<u>Principal Balance</u>	<u>Purpose (Water and/ or Sewer)</u>	<u>Payment Date</u>	<u>Principal & Interest Payment (P&I)</u>	<u>Date to Be Paid In Full</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

VI. LAND AND RIGHTS - EXISTING SYSTEM(S)

Number of Treatment Plant Sites:	Water	<u>1</u>	<i>Sewer</i>	_____
Number of Storage Tank Sites	Water	<u>4</u>	<i>Sewer</i>	_____
Number of Pump Stations:	Water	<u>1</u>	<i>Sewer</i>	_____
Total Acreage:	Water	<u>765</u>	<i>Acres</i>	<i>Sewer</i> _____ <i>Acres</i>
Purchase Price:	Water	<u>\$ 482,894</u>	<i>Sewer</i>	<u>\$</u> _____

VII. NUMBER OF EXISTING USERS

	<i>Water</i>	<i>Sewer</i>
Residential (In Town) *	_____	_____
Residential (Out of Town) *	<u>4,242</u>	_____
Non-Residential (In Town)	<u>258</u>	_____
Non-Residential (Out of Town)	_____	_____
Total	<u>4,503</u>	_____
Number to Total Potential Users Living in the Service Area	<u>5,000</u>	_____

*Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residence.

VIII. CURRENT WATER AND SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

<u>Meter Size</u>	<u>Water Connection Fee</u>	<u>Sewer Connection Fee</u>
5/8" x 3/4"	\$ 300.00	\$ _____
1-Inch	\$ _____	\$ _____

IX. SEWER RATES - EXISTING SYSTEM

Percentage of Water Bill _____ % Minimum Charge \$ _____

Other: (If Charge Not Based on Water Bill) _____

Date This Rate Went Into Effect _____

X. WATER RATES - EXISTING SYSTEM

Existing Rate Schedule: 5/8" x 3/4"

First	<u>2,000</u>	Gallons @ \$ <u>9.48</u> Minimum.
Next	<u>1,500</u>	Gallons @ \$ <u>3.02</u> per 1,000 Gallons.
Next	<u>1,500</u>	Gallons @ \$ <u>2.69</u> per 1,000 Gallons.
Next	<u>2,500</u>	Gallons @ \$ <u>2.26</u> per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
All Over	<u>7,500</u>	Gallons @ \$ <u>1.78</u> per 1,000 Gallons.

Date This Rate Went Into Effect _____

If More Than One Rate Schedule, Please Include All Schedules.

VIII. CURRENT WATER AND SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

<u>Meter Size</u>	<u>Water Connection Fee</u>	<u>Sewer Connection Fee</u>
5/8" x 3/4"	\$	\$
1-Inch	\$ Actual Cost	\$

IX. SEWER RATES - EXISTING SYSTEM

Percentage of Water Bill _____ % *Minimum Charge* \$ _____

Other: (If Charge Not Based on Water Bill) _____

Date This Rate Went Into Effect _____

X. WATER RATES - EXISTING SYSTEM

Existing Rate Schedule: 1"

First	5,000	Gallons @	\$ 18.05	Minimum.
Next	2,500	Gallons @	\$ 2.26	per 1,000 Gallons.
Next		Gallons @	\$	per 1,000 Gallons.
Next		Gallons @	\$	per 1,000 Gallons.
Next		Gallons @	\$	per 1,000 Gallons.
Next		Gallons @	\$	per 1,000 Gallons.
All Over	7,500	Gallons @	\$ 1.78	per 1,000 Gallons.

Date This Rate Went Into Effect _____

If More Than One Rate Schedule, Please Include All Schedules.

VIII. CURRENT WATER AND SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

<u>Meter Size</u>	<u>Water Connection Fee</u>	<u>Sewer Connection Fee</u>
<u>5/8" x 3/4"</u>	\$ _____	\$ _____
<u>1 1/2-Inch</u>	\$ Actual Cost _____	\$ _____

IX. SEWER RATES - EXISTING SYSTEM

Percentage of Water Bill _____ % Minimum Charge \$ _____

Other: (If Charge Not Based on Water Bill) _____

Date This Rate Went Into Effect _____

X. WATER RATES - EXISTING SYSTEM

Existing Rate Schedule: 1 1/2"

First	<u>10,000</u>	Gallons @ \$ <u>28.15</u> Minimum.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
All Over	<u>10,000</u>	Gallons @ \$ <u>1.78</u> per 1,000 Gallons.

Date This Rate Went Into Effect _____

If More Than One Rate Schedule, Please Include All Schedules.

VIII. CURRENT WATER AND SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

<u>Meter Size</u>	<u>Water Connection Fee</u>	<u>Sewer Connection Fee</u>
<u>5/8" x 3/4"</u>	\$ _____	\$ _____
<u>2-Inch</u>	\$ Actual Cost _____	\$ _____

IX. SEWER RATES - EXISTING SYSTEM

Percentage of Water Bill _____ % Minimum Charge \$ _____
 Other: (If Charge Not Based on Water Bill) _____

Date This Rate Went Into Effect _____

X. WATER RATES - EXISTING SYSTEM

Existing Rate Schedule: 2"

First	<u>20,000</u>	Gallons @ \$ <u>45.95</u> Minimum.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
All Over	<u>20,000</u>	Gallons @ \$ <u>1.78</u> per 1,000 Gallons.

Date This Rate Went Into Effect _____

If More Than One Rate Schedule, Please Include All Schedules.

VIII. CURRENT WATER AND SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

<u>Meter Size</u>	<u>Water Connection Fee</u>	<u><i>Sewer Connection Fee</i></u>
<u>5/8" x 3/4"</u>	\$ _____	\$ _____
<u>3-Inch</u>	\$ Actual Cost _____	\$ _____

IX. *SEWER RATES - EXISTING SYSTEM*

Percentage of Water Bill _____ % *Minimum Charge* \$ _____

Other: (If Charge Not Based on Water Bill) _____

Date This Rate Went Into Effect _____

X. WATER RATES - EXISTING SYSTEM

Existing Rate Schedule: 3"

First	<u>30,000</u>	Gallons @ \$ <u>63.75</u> Minimum.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
All Over	<u>30,000</u>	Gallons @ \$ <u>1.78</u> per 1,000 Gallons.

Date This Rate Went Into Effect _____

If More Than One Rate Schedule, Please Include All Schedules.

VIII. CURRENT WATER AND SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

<u>Meter Size</u>	<u>Water Connection Fee</u>	<u>Sewer Connection Fee</u>
<u>5/8" x 3/4"</u>	\$ _____	\$ _____
<u>6-Inch</u>	\$ Actual Cost _____	\$ _____

IX. SEWER RATES - EXISTING SYSTEM

Percentage of Water Bill _____ % Minimum Charge \$ _____

Other: (If Charge Not Based on Water Bill) _____

Date This Rate Went Into Effect _____

X. WATER RATES - EXISTING SYSTEM

Existing Rate Schedule: 6"

First	<u>100,000</u>	Gallons @ \$ <u>188.35</u> Minimum.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
Next	_____	Gallons @ \$ _____ per 1,000 Gallons.
All Over	<u>100,000</u>	Gallons @ \$ <u>1.78</u> per 1,000 Gallons.

Date This Rate Went Into Effect _____

If More Than One Rate Schedule, Please Include All Schedules.

VIII. CURRENT WATER AND SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

<u>Meter Size</u>	<u>Water Connection Fee</u>	<u>Sewer Connection Fee</u>
5/8" x 3/4"	\$ _____	\$ _____
1-Inch	\$ _____	\$ _____

IX. SEWER RATES - EXISTING SYSTEM

Percentage of Water Bill _____ % Minimum Charge \$ _____

Other: (If Charge Not Based on Water Bill) _____

Date This Rate Went Into Effect _____

X. WATER RATES - EXISTING SYSTEM **WHOLESALE CUSTOMERS**
\$1.24 per 1,000 Gallons

Existing Rate Schedule:

- First _____ Gallons @ \$ _____ Minimum.
- Next _____ Gallons @ \$ _____ per 1,000 Gallons.
- Next _____ Gallons @ \$ _____ per 1,000 Gallons.
- Next _____ Gallons @ \$ _____ per 1,000 Gallons.
- Next _____ Gallons @ \$ _____ per 1,000 Gallons.
- Next _____ Gallons @ \$ _____ per 1,000 Gallons.
- All Over _____ Gallons @ \$ _____ per 1,000 Gallons.

Date This Rate Went Into Effect _____

If More Than One Rate Schedule, Please Include All Schedules.

XI. ANALYSIS OF ACTUAL SEWER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD

For Period _____ to _____ .

All Meter

<u>Sizes</u>	<u>Monthly Sewer Usage</u>	<u>Average</u>	<u>Residential</u>		<u>Non-Residential</u>	
			<u>No. of Users</u>	<u>Usage (1000)</u>	<u>No. of Users</u>	<u>Usage (1000)</u>
0 - 2,000	Gallons	1,000	_____	_____	_____	_____
2,000 - 3,000	Gallons	2,500	_____	_____	_____	_____
3,000 - 4,000	Gallons	3,500	_____	_____	_____	_____
4,000 - 5,000	Gallons	4,500	_____	_____	_____	_____
5,000 - 6,000	Gallons	5,500	_____	_____	_____	_____
6,000 - 7,000	Gallons	6,500	_____	_____	_____	_____
7,000 - 8,000	Gallons	7,500	_____	_____	_____	_____
8,000 - 9,000	Gallons	8,500	_____	_____	_____	_____
9,000 - 10,000	Gallons	9,500	_____	_____	_____	_____
10,000 - 11,000	Gallons	10,500	_____	_____	_____	_____
11,000 - 12,000	Gallons	11,500	_____	_____	_____	_____
12,000 - 13,000	Gallons	12,500	_____	_____	_____	_____
13,000 - 14,000	Gallons	13,500	_____	_____	_____	_____
14,000 - 15,000	Gallons	14,500	_____	_____	_____	_____
15,000 - 16,000	Gallons	15,500	_____	_____	_____	_____
16,000 - 17,000	Gallons	16,500	_____	_____	_____	_____
17,000 - 18,000	Gallons	17,500	_____	_____	_____	_____
18,000 - 19,000	Gallons	18,500	_____	_____	_____	_____
19,000 - 20,000	Gallons	19,500	_____	_____	_____	_____
_____ - _____	Gallons	_____	_____	_____	_____	_____
_____ - _____	Gallons	_____	_____	_____	_____	_____
_____ - _____	Gallons	_____	_____	_____	_____	_____
		Total	()	()	()	()
		Average Usage		()		()

XII. ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD

For Period January 1 to December 31, 2002.

All
Meter
Sizes

Monthly Sewer Usage	Average	Residential		Non-Residential	
		No. of Users	Usage (1000)	No. of Users	Usage (1000)
0 - 2,000 Gal.	1,000	13,407	10,116	1,709	911
2,000 - 3,000 Gal.	2,500	6,751	17,273	284	713
3,000 - 4,000 Gal.	3,500	6,804	24,125	197	687
4,000 - 5,000 Gal.	4,500	7,164	31,846	108	488
5,000 - 6,000 Gal.	5,500	4,519	24,946	89	489
6,000 - 7,000 Gal.	6,500	3,386	22,108	61	400
7,000 - 8,000 Gal.	7,500	2,351	17,692	64	481
8,000 - 9,000 Gal.	8,500	1,799	15,323	52	445
9,000 - 10,000 Gal.	9,500	1,276	12,171	36	342
10,000 - 11,000 Gal.	10,500	883	9,296	36	380
11,000 - 12,000 Gal.	11,500	701	8,075	29	339
12,000 - 13,000 Gal.	12,500	473	5,922	28	354
13,000 - 14,000 Gal.	13,500	437	5,898	25	339
14,000 - 15,000 Gal.	14,500	309	4,495	20	291
15,000 - 16,000 Gal.	15,500	238	3,695	15	233
16,000 - 17,000 Gal.	16,500	203	3,357	11	183
17,000 - 18,000 Gal.	17,500	149	2,618	8	140
18,000 - 19,000 Gal.	18,500	130	2,405	13	240
19,000 - 20,000 Gal.	19,500	129	2,521	10	196
_____ Gal.		71	1,463	18	371
_____ Gal.		83	1,789	21	453
_____ Gal.		643	33,392	429	52,511
	Total	(51,906)	(260,526)	(3,263)	(60,986)
	Average Usage		(5.0)		(22.2)

Total Water Purchased and/or Produced	1,262,664	_____
Total Water Sold	1,043,106	_____

Unaccounted for loss=

XIII. FACILITY CHARACTERISTICS OF PROPOSED SEWER SYSTEM

A. Sewage Treatment:

1. Type _____

2. Method of Sludge Disposal _____

3. Cost per 1,000 gallons if sewage treatment is contracted:

\$ _____

B. Treatment Capacity of Sewage Treatment Plant _____

C. Type of Sewage Collector System (Describe) _____

D. Number and Capacity of Sewage Lift Stations _____

E. Sewage Collection System:

Lineal Feet of Collector Lines, by size 6" _____ 8" _____

10" _____ 12" _____, Larger _____

XIV. LAND AND RIGHTS - PROPOSED SEWER SYSTEM

Number of Treatment Plant Sites _____

Number of Pump Sites _____

Number of Other Sites _____

Total Acreage _____ **Acres**

Purchase Price \$ _____

XV. FACILITY CHARACTERISTICS OF PROPOSED WATER SYSTEM

A. Water Source: Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

Increase water treatment capacity from 4.3 MGD to 11.0 MGD

See pg. 3-A for description of raw water source

B. Water Storage:

Type: Ground Storage Tank _____ Elevated Tank _____
Standpipe _____ Other _____

Number of Storage Structures _____

Total Storage Volume Capacity _____

C. Water Distribution System:

Pipe Material 30,000 L.F. of 16" D.I.

Lineal Feet of Pipe: 3" Diameter _____ 4" _____

6" _____ 8" _____

10" _____ 12" _____

Number and Capacity of Pump Station(s) _____

XVI. LAND AND RIGHTS - PROPOSED WATER SYSTEM N/A

Number of Treatment Plant Sites _____

Number of Pump Sites _____

Number of Other Sites _____

Total Acreage _____ Acres

Purchase Price \$ _____

XVII. NUMBER OF NEW SEWER USERS

*Residential (In Town) ** _____
*Residential (Out of Town) ** _____
Non-Residential (In Town) _____
Non-Residential (Out of Town) _____
Total _____
Number to Total Potential Users Living in the Service Area _____

***Note:** Residential Users: *Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residences.*

XVIII. PROPOSED SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

<u>Meter Size</u>	<u>Connection Fee</u>
<u>5/8" x 3/4"</u>	<u>\$ _____</u>
<u>1 - Inch</u>	<u>\$ _____</u>
<u>1-1/2 Inch</u>	<u>\$ _____</u>
<u>2 - Inch</u>	<u>\$ _____</u>
<u>3 - Inch</u>	<u>\$ _____</u>
<u>4 - Inch</u>	<u>\$ _____</u>
<u>5 - Inch</u>	<u>\$ _____</u>
<u>6 - Inch</u>	<u>\$ _____</u>

XIX. NUMBER OF NEW WATER USERS N/A

Residential (In Town) *	_____
Residential (Out of Town) *	_____
Non-Residential (In Town)	_____
Non-Residential (Out of Town)	_____
Total	_____
Number to Total Potential Users Living in the Service Area	_____

*Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residences.

XX. PROPOSED WATER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION:

<u>Meter Size</u>	<u>Connection Fee</u>
<u>5/8" x 3/4"</u>	\$ _____
<u>1 - Inch</u>	\$ _____
<u>1-1/2 Inch</u>	\$ _____
<u>2 - Inch</u>	\$ _____
<u>3 - Inch</u>	\$ _____
<u>4 - Inch</u>	\$ _____
<u>5 - Inch</u>	\$ _____
<u>6 - Inch</u>	\$ _____

XXI. SEWER RATES - PROPOSED

A. Proposed Rate Schedule without RUS Grant:

Percentage of Water Bill _____ % Minimum Charge \$ _____

Other: (If Charge Not Based on Water Bill) _____

Proposed Rate Schedule: (Without RUS Grant)

First	_____	Gallons @ \$ _____	Minimum.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
All Over	_____	Gallons @ \$ _____	per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

B. Recommended Rate Schedule with RUS Grant:

Percentage of Water Bill _____ % Minimum Charge \$ _____

Other: (If Charge Not Based on Water Bill) _____

Recommended Rate Schedule: (With RUS Grant)

First	_____	Gallons @ \$ _____	Minimum.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
All Over	_____	Gallons @ \$ _____	per 1,000 Gallons.

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

A. Proposed Rate Schedule Without RUS Grant: 5/8" x 3/4" Meter

First	<u>2,000</u>	Gallons @	<u>\$ 14.49</u>	Minimum.
Next	<u>1,500</u>	Gallons @	<u>\$ 4.61</u>	per 1,000 Gallons.
Next	<u>1,500</u>	Gallons @	<u>\$ 4.11</u>	per 1,000 Gallons.
Next	<u>2,500</u>	Gallons @	<u>\$ 3.45</u>	per 1,000 Gallons.
Next		Gallons @	<u>\$</u>	per 1,000 Gallons.
Next		Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>7,500</u>	Gallons @	<u>\$ 2.72</u>	per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

B. Recommended Rate Schedule with RUS Grant: 5/8" x 3/4" Meter

First	<u>2,000</u>	Gallons @	<u>\$ 14.22</u>	Minimum.
Next	<u>1,500</u>	Gallons @	<u>\$ 4.53</u>	per 1,000 Gallons.
Next	<u>1,500</u>	Gallons @	<u>\$ 4.03</u>	per 1,000 Gallons.
Next	<u>2,500</u>	Gallons @	<u>\$ 3.39</u>	per 1,000 Gallons.
Next		Gallons @	<u>\$</u>	per 1,000 Gallons.
Next		Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>7,500</u>	Gallons @	<u>\$ 2.67</u>	per 1,000 Gallons.

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

A. Proposed Rate Schedule Without RUS Grant: 1" Meter

First	<u>5,000</u>	Gallons @	<u>\$ 27.57</u>	Minimum.
Next	<u>2,500</u>	Gallons @	<u>\$ 3.45</u>	per 1,000 Gallons.
Next	<u></u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u></u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u></u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u></u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>7,500</u>	Gallons @	<u>\$ 2.72</u>	per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

B. Recommended Rate Schedule with RUS Grant: 1" Meter

First	<u>5,000</u>	Gallons @	<u>\$ 27.06</u>	Minimum.
Next	<u>2,500</u>	Gallons @	<u>\$ 3.39</u>	per 1,000 Gallons.
Next	<u></u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u></u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u></u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u></u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>7,500</u>	Gallons @	<u>\$ 2.67</u>	per 1,000 Gallons.

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

B. Proposed Rate Schedule Without RUS Grant: 1 1/2" Meter

First	<u>10,000</u>	Gallons @	<u>\$ 43.00</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>10,000</u>	Gallons @	<u>\$ 2.72</u>	per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

C. Recommended Rate Schedule with RUS Grant: 1 1/2" Meter

First	<u>10,000</u>	Gallons @	<u>\$ 42.21</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>10,000</u>	Gallons @	<u>\$ 2.67</u>	per 1,000 Gallons.

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

C. Proposed Rate Schedule Without RUS Grant: 2" Meter

First	<u>20,000</u>	Gallons @	<u>\$ 70.20</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>20,000</u>	Gallons @	<u>\$ 2.72</u>	per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

D. Recommended Rate Schedule with RUS Grant: 2" Meter

First	<u>20,000</u>	Gallons @	<u>\$ 68.91</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>20,000</u>	Gallons @	<u>\$ 2.67</u>	per 1,000 Gallons.

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

D. Proposed Rate Schedule Without RUS Grant: 3" Meter

First	<u>30,000</u>	Gallons @	<u>\$ 97.40</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>30,000</u>	Gallons @	<u>\$ 2.72</u>	per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

E. Recommended Rate Schedule with RUS Grant: 3" Meter

First	<u>30,000</u>	Gallons @	<u>\$ 95.61</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>30,000</u>	Gallons @	<u>\$ 2.67</u>	per 1,000 Gallons.

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

E. Proposed Rate Schedule Without RUS Grant: 6" Meter

First	<u>100,000</u>	Gallons @	<u>\$ 287.80</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>100,000</u>	Gallons @	<u>\$ 2.72</u>	per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

F. Recommended Rate Schedule with RUS Grant: 6" Meter

First	<u>100,000</u>	Gallons @	<u>\$ 282.51</u>	Minimum.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @	<u>\$</u>	per 1,000 Gallons.
All Over	<u>100,000</u>	Gallons @	<u>\$ 2.67</u>	per 1,000 Gallons.

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

F. Proposed Rate Schedule Without RUS Grant: **\$2.04 per 1,000 Gallons**

First	_____	Gallons @	\$ _____	Minimum.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
All Over	_____	Gallons @	\$ _____	per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

G. Recommended Rate Schedule with RUS Grant: **\$2.00 per 1,000 Gallons**

First	_____	Gallons @	\$ _____	Minimum.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
Next	_____	Gallons @	\$ _____	per 1,000 Gallons.
All Over	_____	Gallons @	\$ _____	per 1,000 Gallons.

If more than one rate, use additional sheets.

XXIII. FORECAST OF SEWER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS

<i>Meter Size*</i>	<i>Monthly Sewer Usage</i>	<i>Average Rate</i>	<i>Residential</i>			<i>Non-Residential</i>		
			<i>No. of Users**</i>	<i>Usage (1000)</i>	<i>Income</i>	<i>No. of Users</i>	<i>Usage (1000)</i>	<i>Income</i>
	0 - 2,000 Gallons	1,000						
	2,000 - 3,000 Gallons	2,500						
	3,000 - 4,000 Gallons	3,500						
	4,000 - 5,000 Gallons	4,500						
	5,000 - 6,000 Gallons	5,500						
	6,000 - 7,000 Gallons	6,500						
	7,000 - 8,000 Gallons	7,500						
	8,000 - 9,000 Gallons	8,500						
	9,000 - 10,000 Gallons	9,500						
5/8	10,000 - 11,000 Gallons	10,500						
x	11,000 - 12,000 Gallons	11,500						
3/4	12,000 - 13,000 Gallons	12,500						
Inch	13,000 - 14,000 Gallons	13,500						
	14,000 - 15,000 Gallons	14,500						
	15,000 - 16,000 Gallons	15,500						
	16,000 - 17,000 Gallons	16,500						
	17,000 - 18,000 Gallons	17,500						
	18,000 - 19,000 Gallons	18,500						
	19,000 - 20,000 Gallons	19,500						
	- Gallons							
	- Gallons							
	- Gallons							
	Sub-Total		()	()	()	()	()	()
	Average Monthly Rate	()						
	Average Monthly Usage		()			()		

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

	-	Gallons						
	-	Gallons						
5-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()
	-	Gallons						
	-	Gallons						
6-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()
		TOTALS		()	()	()	()	()

MULTI-FAMILY AND APARTMENT USER ANALYSIS

If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.

<u>Name of Unit</u>	<u>Number of Units</u>	<u>Number of Meters</u>	<u>Revenue Calculations</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

XXIV. FORECAST OF SEWER USAGE - INCOME - NEW USERS - EXTENSION ONLY

<i>Meter Size*</i>	<i>Monthly Sewer Usage</i>	<i>Average Rate</i>	<i>Residential</i>			<i>Non-Residential</i>		
			<i>No. of Users** (1000)</i>	<i>Usage (1000)</i>	<i>Income</i>	<i>No. of Users (1000)</i>	<i>Usage (1000)</i>	<i>Income</i>
	<i>0 - 2,000 Gallons</i>	<i>1,000</i>						
	<i>2,000 - 3,000 Gallons</i>	<i>2,500</i>						
	<i>3,000 - 4,000 Gallons</i>	<i>3,500</i>						
	<i>4,000 - 5,000 Gallons</i>	<i>4,500</i>						
	<i>5,000 - 6,000 Gallons</i>	<i>5,500</i>						
	<i>6,000 - 7,000 Gallons</i>	<i>6,500</i>						
	<i>7,000 - 8,000 Gallons</i>	<i>7,500</i>						
	<i>8,000 - 9,000 Gallons</i>	<i>8,500</i>						
	<i>9,000 - 10,000 Gallons</i>	<i>9,500</i>						
<i>5/8</i>	<i>10,000 - 11,000 Gallons</i>	<i>10,500</i>						
<i>x</i>	<i>11,000 - 12,000 Gallons</i>	<i>11,500</i>						
<i>3/4</i>	<i>12,000 - 13,000 Gallons</i>	<i>12,500</i>						
<i>Inch</i>	<i>13,000 - 14,000 Gallons</i>	<i>13,500</i>						
	<i>14,000 - 15,000 Gallons</i>	<i>14,500</i>						
	<i>15,000 - 16,000 Gallons</i>	<i>15,500</i>						
	<i>16,000 - 17,000 Gallons</i>	<i>16,500</i>						
	<i>17,000 - 18,000 Gallons</i>	<i>17,500</i>						
	<i>18,000 - 19,000 Gallons</i>	<i>18,500</i>						
	<i>19,000 - 20,000 Gallons</i>	<i>19,500</i>						
	<i>- Gallons</i>							
	<i>- Gallons</i>							
	<i>- Gallons</i>							
	<i>Sub-Total</i>		<i>()</i>	<i>()</i>	<i>()</i>	<i>()</i>	<i>()</i>	<i>()</i>
	<i>Average Monthly Rate</i>	<i>()</i>						
	<i>Average Monthly Usage</i>		<i>()</i>			<i>()</i>		

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

	-	Gallons					
	-	Gallons					
1-	-	Gallons					
Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total		()	()	()	()

	-	Gallons					
	-	Gallons					
1-1/2	-	Gallons					
Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total		()	()	()	()

	-	Gallons					
	-	Gallons					
2-	-	Gallons					
Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total		()	()	()	()

	-	Gallons					
	-	Gallons					
3-	-	Gallons					
Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total		()	()	()	()

	-	Gallons					
	-	Gallons					
4-	-	Gallons					
Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total		()	()	()	()

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

	-	Gallons						
	-	Gallons						
5-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()
	-	Gallons						
	-	Gallons						
6-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()
		TOTALS		()	()	()	()	()

MULTI-FAMILY AND APARTMENT USER ANALYSIS

If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.

<u>Name of Unit</u>	<u>Number of Units</u>	<u>Number of Meters</u>	<u>Revenue Calculations</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

XXV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS

Meter Size*	Monthly Sewer Usage			Average	Average Rate	Residential			Non-Residential			
			Gal.			No. of Users**	Usage (1000)	Income	No. of Users	Usage (1000)	Income	
	0	-	2,000	Gal.	1,000	14.22	1,115	842	15,855	139	74	1,977
	2,000	-	3,000	Gal.	2,900	18.30	844	2,439	15,445	30	82	549
	3,000	-	4,000	Gal.	4,000	23.03	876	3,643	20,174	16	64	368
	4,000	-	5,000	Gal.	4,500							
	5,000	-	6,000	Gal.	6,200	31.12	754	4,641	23,464	13	84	404
	6,000	-	7,000	Gal.	6,500							
5/8 x 3/4 Inch	7,000	-	8,000	Gal.	7,500							
	8,000	-	9,000	Gal.	8,500							
	9,000	-	10,000	Gal.	9,500							
	10,000	-	11,000	Gal.	10,500							
	11,000	-	12,000	Gal.	11,500							
	12,000	-	13,000	Gal.	12,500							
	13,000	-	14,000	Gal.	13,500	51.55	712	9,693	36,703			
	14,000	-	15,000	Gal.	14,500							
	15,000	-	16,000	Gal.	15,500							
	16,000	-	17,000	Gal.	16,500							
	17,000	-	18,000	Gal.	17,500							
		18,000	-	19,000	Gal.	18,500						
	19,000	-	20,000	Gal.	19,500							
		-		Gal.	23,700	78.79				34	823	2,679
		-		Gal.								
		-		Gal.								
					Subtotal		(4,301)	(21,258)	(111,642)	(232)	(1,127)	(5,977)
					Average Monthly Rate	(25.96)						
					Average Monthly Usage			(4.9)			(4.9)	

* Breakdown of meter size usage is not required unless different water rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

	0	5,000	Gal.	27.06	7	14	189	1	4	27
	5,000	10,000	Gal.	35.53	2	19	71	1	7	35
1-Inch	10,000	20,000	Gal.	48.61	1	11	48			
	over	20,000	Gal.	110.56	1	24	110			
			Gal.	13,200				1	6	51
				88,300				5	493	1,256
			Subtotal		(11)	(68)	(418)	(8)	(510)	(1,369)
	0	10,000	Gal.	42.21				1		42
	10,000	15,000	Gal.							
1-1/2	15,000	20,000	Gal.							
Inch			Gal.							
	over	20,000	Gal.	118,500				2	237	664
			Gal.							
			Subtotal		()	()	()	(3)	(237)	(706)
	0	20,000	Gal.	68.91	7		482	8	55	551
	over	20,000	Gal.	42,800	3		389			
2- Inch			Gal.							
			Gal.	133,700				14	1,927	5,214
			Gal.							
			Subtotal		(10)	()	(871)	(22)	(1,982)	(5,765)
	0	30,000	Gal.	95.61	1	228	95	1	2	95
	over	30,000	Gal.	113,800				1	170	319
3- Inch			Gal.							
			Gal.							
			Gal.							
			Subtotal		(1)	(228)	(95)	(2)	(172)	(414)
			Gal.							
			Gal.							
4-Inch			Gal.							
			Gal.							
			Gal.							
			Subtotal		()	()	()	()	()	()

* Breakdown of meter size usage is not required unless different water rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

5- Inch		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Gal.								
		Subtotal			()	()	()	()	()	
6- Inch	0	100,000 Gal.		282.51				1	8	282
	over	100,000 Gal.	464,400	1,255.46				2	1,044	2,511
		Gal.								
		Gal.								
		Gal.								
		Subtotal			()	()	()	(3)	(1,052)	(2,793)
TOTALS					(4,323)	(21,554)	(113,026)	(270)	(5,072)	(17,024)

MULTI-FAMILY AND APARTMENT USER ANALYSIS

If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.

Name of Unit	Number of Units	Number of Meters	Revenue Calculations	
East Laurel W.D.			354,884 x 2.00 = 709,768	
West Laurel W.A			356,893 x 2.00 = 713,786	
Livingston			12,087 x 2.00 = 24,174	
		Total	723,864	1,447,728

* Breakdown of meter size usage is not required unless different water rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

	-	Gallons						
	-	Gallons						
1-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()

	-	Gallons						
	-	Gallons						
1-1/2	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()

	-	Gallons						
	-	Gallons						
2-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()

	-	Gallons						
	-	Gallons						
3-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()

	-	Gallons						
	-	Gallons						
4-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

	-	Gallons							
	-	Gallons							
5-	-	Gallons							
Inch	-	Gallons							
	-	Gallons							
	-	Gallons							
		Sub-Total		()	()	()	()	()	()
	-	Gallons							
	-	Gallons							
6-	-	Gallons							
Inch	-	Gallons							
	-	Gallons							
	-	Gallons							
		Sub-Total		()	()	()	()	()	()
		TOTALS		()	()	()	()	()	()

MULTI-FAMILY AND APARTMENT USER ANALYSIS

If billed as a typical user, the information should be included in the residential information above.
 If not billed as a typical residential user, please explain below.

<u>Name of Unit</u>	<u>Number of Units</u>	<u>Number of Meters</u>	<u>Revenue Calculations</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

XXVII. CURRENT OPERATING BUDGET - (SEWER SYSTEM)

(As of the last full operating year.)

A. Operating Income:

<i>Sewer Revenue</i>	\$ _____
<i>Late Charge Fees</i>	_____
<i>Other (Describe)</i>	_____
<i>Less Allowances and Deductions</i>	(_____)
Total Operating Income	\$ _____

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

<i>Operation Expense</i>	\$ _____
<i>Maintenance Expense</i>	_____
<i>Customer Accounts Expense</i>	_____
<i>Administrative and General Expense</i>	_____
Total Operating and Maintenance Expenses	\$ _____
Net Operating Income	\$ _____

C. Non-Operating Income:

<i>Interest on Deposits</i>	\$ _____
<i>Other (Identify)</i>	_____
Total Non-Operating Income	\$ _____

D. Net Income \$ _____

E. Debt Repayment:

<i>RUS Interest</i>	\$ _____
<i>RUS Principal</i>	_____
<i>Non-RUS Interest</i>	_____
<i>Non-RUS Principal</i>	_____
Total Debt Repayment	\$ _____

F. Balance Available for Coverage \$ _____

**XXVIII. PROPOSED OPERATING BUDGET - (SEWER SYSTEM) - EXISTING SYSTEM
AND NEW USERS (1st Full Year of Operation) Year Ending _____**

A. Operating Income:

<i>Sewer Revenue</i>	\$ _____
<i>Late Charge Fees</i>	_____
<i>Other (Describe)</i>	_____
<i>Less Allowances and Deductions</i>	(_____)
<i>Total Operating Income</i>	\$ _____

B. Operation and Maintenance Expenses:

*(Based on Uniform System of Accounts prescribed by National Association of
Regulatory Utility Commissioners)*

<i>Operation Expense</i>	\$ _____
<i>Maintenance Expense</i>	_____
<i>Customer Accounts Expense</i>	_____
<i>Administrative and General Expense</i>	_____
<i>Total Operating and Maintenance Expenses</i>	\$ _____
<i>Net Operating Income</i>	\$ _____

C. Non-Operating Income:

<i>Interest on Deposits</i>	\$ _____
<i>Other (Identify)</i>	_____
<i>Total Non-Operating Income</i>	\$ _____

D. Net Income \$ _____

E. Debt Repayment:

<i>RUS Interest</i>	\$ _____
<i>RUS Principal</i>	_____
<i>Non-RUS Interest</i>	_____
<i>Non-RUS Principal</i>	_____
<i>Total Debt Repayment</i>	\$ _____

F. Balance Available for Coverage \$ _____

XXIX. PROPOSED OPERATING BUDGET - (SEWER SYSTEM) - NEW USERS - EXTENSION ONLY (1st Full Year of Operation) Year Ending _____

A. Operating Income:

<i>Sewer Revenue</i>	\$ _____
<i>Late Charge Fees</i>	_____
<i>Other (Describe)</i>	_____
<i>Less Allowances and Deductions</i>	(_____)
<i>Total Operating Income</i>	\$ _____

B. Operation and Maintenance Expenses:
(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

<i>Operation Expense</i>	\$ _____
<i>Maintenance Expense</i>	_____
<i>Customer Accounts Expense</i>	_____
<i>Administrative and General Expense</i>	_____
<i>Total Operating and Maintenance Expenses</i>	\$ _____
<i>Net Operating Income</i>	\$ _____

C. Non-Operating Income:

<i>Interest on Deposits</i>	\$ _____
<i>Other (Identify)</i>	_____
<i>Total Non-Operating Income</i>	\$ _____

D. Net Income \$ _____

E. Debt Repayment:

<i>RUS Interest</i>	\$ _____
<i>RUS Principal</i>	_____
<i>Non-RUS Interest</i>	_____
<i>Non-RUS Principal</i>	_____
<i>Total Debt Repayment</i>	\$ _____

F. Balance Available for Coverage \$ _____

XXX. CURRENT OPERATING BUDGET (WATER SYSTEM)

(As of the last full operating year.)

Year Ending Dec., 2002

E. Operating Income:

Water Sales	<u>\$1,979,769</u>
Disconnect/Reconnect/Late Charge Fees	<u>48,496</u>
Other (Describe)	
Less Allowances and Deductions	<u>()</u>
Total Operating Income	<u>\$2,028,265</u>

E. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Source of Supply Expense	<u>\$ 37,023</u>
Pumping Expense	<u>151,334</u>
Water Treatment Expense	<u>701,518</u>
Transmission and Distribution Expense	<u>222,646</u>
Customer Accounts Expense	<u>124,200</u>
Administrative and General Expense	<u>181,041</u>
Total Operating Expenses	<u>\$1,417,962</u>
Net Operating Income	<u>\$ 610,303</u>

E. Non-Operating Income:

Interest on Deposits	<u>\$ 57,305</u>
Other (Identify)	
Total Non-Operating Income	<u>\$ 57,305</u>

D. Net Income

\$ 667,608

E. Debt Repayment:

RUS Interest	<u>\$ 273,533</u>
RUS Principal	<u>141,200</u>
Non-RUS Interest	<u>4,642</u>
Non-RUS Principal	
Total Debt Repayment	<u>\$ 419,375</u>
Capital Improvements	<u>206,296</u>

F. Balance Available for Coverage

\$ 41,937

XXXI. PROPOSED OPERATING BUDGET (WATER SYSTEM) EXISTING SYSTEM AND NEW USERS
 (1st Full Year of Operation) Year Ending 2006

A. Operating Income:

Water Sales	<u>\$3,059,952</u>
Disconnect/Reconnect/Late Charge Fees	<u> </u>
Other (Describe)	<u> </u>
Less Allowances and Deductions	<u>()</u>
Total Operating Income	<u>\$3,059,952</u>

B. Operation and Maintenance Expenses:
 (Based on Uniform System of Accounts prescribed by National Association of
 Regulatory Utility Commissioners)

Source of Supply Expense	<u>\$ 43,662</u>
Pumping Expense	<u>151,534</u>
Water Treatment Expense	<u>817,065</u>
Transmission and Distribution Expense	<u>273,333</u>
Customer Accounts Expense	<u>167,447</u>
Administrative and General Expense	<u>211,839</u>
Taxes	<u>3,578</u>
Capital Improvements	<u>600,000</u>
Total Operating Expenses	<u>\$2,268,458</u>
Net Operating Income	<u>\$ 791,494</u>

C. Non-Operating Income:

Interest on Deposits	<u>\$</u>
Other (Identify)	<u> </u>
Total Non-Operating Income	<u>\$</u>

D. Net Income \$ 791,494

E. Debt Repayment:

RUS Interest	<u>\$ 468,332</u>
RUS Principal	<u>82,100</u>
Non-RUS Interest	<u>57,667</u>
Non-RUS Principal	<u>97,500</u>
Total Debt Repayment	<u>\$ 705,599</u>

F. Balance Available for Coverage \$ 85,895

XXXII. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - NEW USERS - N/A
EXTENSION ONLY (1st Full Year of Operation) Year Ending _____

A. Operating Income:	
Water Sales	\$ _____
Disconnect/Reconnect/Late Charge Fees	_____
Other (Describe)	_____
Less Allowances and Deductions	(_____)
Total Operating Income	\$ _____
B. Operation and Maintenance Expenses:	
(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)	
Source of Supply Expense	\$ _____
Pumping Expense	_____
Water Treatment Expense	_____
Transmission and Distribution Expense	_____
Customer Accounts Expense	_____
Administrative and General Expense	_____
Total Operating Expenses	\$ _____
Net Operating Income	\$ _____
C. Non-Operating Income:	
Interest on Deposits	\$ _____
Other (Identify)	_____
Total Non-Operating Income	\$ _____
D. Net Income	\$ _____
E. Debt Repayment:	
RUS Interest	\$ _____
RUS Principal	_____
Non-RUS Interest	_____
Non-RUS Principal	_____
Total Debt Repayment	\$ _____
F. Balance Available for Coverage	\$ _____

XXXIII. ESTIMATED PROJECT COST - SEWER
(Round to nearest \$100)

	<u>Collection</u>	<u>Treatment</u>	<u>Total</u>
<i>Development</i>	_____	_____	_____
<i>Land and Rights</i>	_____	_____	_____
<i>Legal</i>	_____	_____	_____
<i>Engineering</i>	_____	_____	_____
<i>Interest</i>	_____	_____	_____
<i>Contingencies</i>	_____	_____	_____
<i>Initial Operating and Maintenance</i>	_____	_____	_____
<i>Other</i>	_____	_____	_____
TOTAL	_____	_____	_____

XXXIV. PROPOSED PROJECT FUNDING - SEWER

	<u>Collection</u>	<u>Treatment</u>	<u>Total</u>
<i>Applicant - User Contribution Fees</i>	_____	_____	_____
<i>Other - Applicant Contribution</i>	_____	_____	_____
<i>RUS Loan</i>	_____	_____	_____
<i>RUS Grant</i>	_____	_____	_____
<i>ARC Grant (If applicable)</i>	_____	_____	_____
<i>CDBG (If applicable)</i>	_____	_____	_____
<i>Other (Specify)</i>	_____	_____	_____
<i>Other (Specify)</i>	_____	_____	_____

XXXV. ESTIMATED PROJECT COST - WATER

Development	\$ 8,246,000
Land and Rights	10,000
Legal	48,000
Engineering	791,300
Interest	100,000
Contingencies	804,700
Initial Operating and Maintenance	
Other	
TOTAL	\$10,000,000

XXXVI. PROPOSED PROJECT FUNDING

Applicant - User Connection Fees	\$
Other Applicant Contribution	
RUS Financial Assistance	7,250,000
RUS Grant	1,000,000
ARC Grant (If applicable)	750,000
CDBG Grant (If applicable)	
Other (Specify) EDA Grant	1,000,000
Other (Specify)	
TOTAL	\$10,000,000